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**SPECIAL SECTION:
THE ECONOMY**



Year of *E*nergy *A*ction

Must a good job be a long shot, too?

He's just a kid having fun, shooting from the outside.

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Some of these actions may require setting back environmental timetables a little. But what's the alternative? As the government's Project Independence report points out, cutting energy waste cannot by itself resolve America's energy problems. Only by developing new U.S. energy supplies can this country get growing again.

And resume the march toward social progress. Toward better shots at the good jobs.

Mobil®

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What's in a name?" Romeo and Juliet

Great names can also be great trademarks.

"Good name in man or woman...is the immediate jewel of their souls..." Othello

And great trademarks can be as valuable to you as they are to the companies that own them. Because they help ensure that when you ask for something you get what you asked for.

"Speak the speech I pray you, as I pronounced it to you..." Hamlet

So, in order to protect yourself, and us, please use Xerox as a proper adjective and not as a verb or noun. Thus, you can copy on the Xerox copier but you can't Xerox something. You can go to the Xerox copier but not to the Xerox.

"Zounds! I was never so bethump'd by words..." King John

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selected by the winners. The competition is open to all writers and photographers from the five categories. Winners for 1974, and the schools they have selected to receive the awards, are listed below. 1975 entries, for stories which appeared in print or were broadcast between September 15, 1974 and September 15, 1975, are now being accepted.

1974 UNIROYAL JOURNALISM SAFETY AWARD COMPETITION WINNERS

"We believe that the media have influenced and will continue to influence the public to improve its driving skills, pay closer attention to proper selection and maintenance of auto safety equipment, and ultimately save lives. We consider it an honor to recognize the outstanding contributions of the following winners for 1974."

W. H. Schmalz, President
Uniroyal Tire Company

Magazines: Mrs. Julie Candler, automotive editor, *Woman's Day* magazine, for her feature on products available to make the auto a safer place for children. She chose the Journalism Department of Wayne State University for her award.

Television: Gene Strul, news director, WCKT-TV, Miami, for his documentary on hitchhikers and the dangers they pose to themselves and motorists. His award went to the Miami-Dade Community College Department of Journalism.



Radio: George Nicholaw, vice president and general manager, KNX Radio, Los Angeles, for a series of editorials covering highway accident situations. He selected the Journalism Department of California State University at Los Angeles to receive his award.



Newspapers: Mrs. Jean Cronan, formerly editor of the *Palisadian* and the *Bergen Bulletin*, two weekly New Jersey newspapers, for her safety series that used local accidents to call attention to driving hazards. She selected the Columbia University Graduate School of Journalism to receive her award.



Trade Publications: Richard Cross, feature editor, *Commercial Car Journal*, for his article on the problems truckers face on the highway. He selected the Charles Morris Price School of Advertising and Journalism to receive his award.

UNIROYAL JOURNALISM SAFETY AWARD COMPETITION

1975 Entry Form 1975 deadline: September 15, 1975



To: Safety Competition
Uniroyal, Inc.
Box 723389
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New York, N.Y. 10020

Title of story/broadcast _____ Date appeared _____
Entry category () Newspaper () Magazine () Radio () Television
() Trade Publication
Publication/station _____
Name of entrant _____ Title _____
Address _____ City _____ State/zip _____
Statement of story's objectives: _____

Please submit four tearsheets, an audio tape or a video tape of the entry.

COMMENT

The article-ad magazine omelet

February saw two especially creative examples of the art of blurring the distinction between the editorial and advertising content of magazines. One, in *Reader's Digest*, was what we might call advertising by editors; and the second, in *Harper's* and *The Atlantic Monthly*, was "travel news" supplied by the advertising department.

The *Reader's Digest* contribution to the article-ad is a series, introduced in the magazine's February issue, called "Our Economic System: You Make It Work." The introduction says that the articles are "prepared by the editors of the *Reader's Digest* and presented by The Business Roundtable." The Business Roundtable, the *Digest* explains, "is an organization of 150 outstanding executives from leading U.S. companies who are primarily interested in presenting education and information on the role of U.S. business both here and abroad." The first article, titled "Whatever Happened to the Nickel Candy Bar?," urged greater productivity on all Americans. The series is labeled as advertising and will cost the education-minded corporations of the Roundtable \$1.2 million.

The *Harper's-Atlantic* contribution was a compilation of events around the world that might be interesting to vacationers. Called the "International Travel Planner," it clearly was intended

to provide a forum for travel advertisements. The section was a thirty-two page supplement labeled "produced by Harper-Atlantic Sales, Inc.," and was printed on different stock from the rest of the magazine. Its pages are numbered separately. The February *Atlantic* contains pages 1-48, then 1-32 (the supplement), then 81-128. Any questions?

Cross-ownership: an FCC straddle

Predictably, the Federal Communications Commission's long-awaited decision on single ownership of newspapers and broadcasting outlets in the same area has satisfied no one. The FCC's decision is a straddle. On the one hand, the commission said that it will not approve future acquisitions of radio and televi-

sion stations by newspapers in the same market, nor will it approve license renewals for radio and television stations that purchase newspapers in their area. On the other hand, the FCC allowed most of the existing media cross-ownerships to remain, ordering only the dissolution of sixteen small-market newspaper-television and newspaper-radio combinations. In those cases, the combinations control more than 80 percent of the market. But the FCC waffled in those cases by allowing the affected owners to apply for waivers of the order.

What appears on the surface to be an attempt by the FCC to placate all parties to the dispute may in fact turn out to be a wise course. A recent Rand Corporation report examines the pro and con arguments for media cross-ownership and concludes that the case for breaking up such combinations has not been sufficiently demonstrated. The FCC, in allowing most of the present cross-ownerships, argued that the disruption caused by dissolving them would far outweigh any public benefits. Yet the commission also seemed to say that diverse ownership best serves the public interest, noting that the viewpoints of such combinations "cannot be expected to be the same as if they were antagonistically run."

Darts and laurels

Dart: to United Press International, which sends out a weekly column called "Magazines in Review." Of the seven magazines mentioned in the column that went out on the UPI wires on January 19, four were present or former clients of magazine public-relations man Sherwood Ross, who says he takes an active interest in the column.

Laurel: to Nicholas Johnson and the National Citizens Committee for Broadcasting for the concept behind their new

To our readers

With this issue readers of the *Review* will find the appearance of the magazine somewhat changed. Naturally, we hope you'll like the changes, and we welcome your comments about our new look.



The Trans-Alaska Pipeline.

A report on the most remarkable private construction project in American history.

Far above the Arctic Circle on Alaska's North Slope lies the largest oil field in North America. The Prudhoe Bay oil field holds an estimated 10 billion barrels (one barrel equals 42 gallons) of crude oil.

For years engineers have generally agreed that a pipeline would be the most economical way to get the oil out of this wilderness.

In 1974 work began on the Trans-Alaska Pipeline System—the largest single construction project ever undertaken by private industry.



It took over one-half million tons of steel to make the 798 miles of pipe for the project. The sections are 40' and 60' long, 48" in diameter.

The route

The Trans-Alaska Pipeline System will be about 798 miles long—winding its way from Prudhoe across the rugged face of Alaska to Valdez, a deep-water port in southern Alaska.

The Pipeline must cross 3 major mountain ranges, including the Brooks Range, where it will snake through Dietrich Pass at 4,500 feet



The 798-mile Trans-Alaska Pipeline System may ultimately carry 2 million barrels of oil a day from Prudhoe Bay to Valdez.

elevation. It will cross 17 major rivers, including the Yukon, third largest in North America.

At the southern terminal point in Valdez, the oil will be loaded into ocean-going tankers and shipped to the U.S. West Coast.

80° below zero

Working conditions along the route are almost without parallel in the history of the industry. 40-mile-an-hour winds and temperatures down to 80° below zero can reduce human work efficiency by 90 percent.

27 Empire State Buildings

It will take over three years and nearly \$6 billion to build the Pipeline. This is the equivalent of what it would cost today to build 27 Empire State Buildings, or 3 Panama Canals.

Ownership of the Pipeline is held by eight companies, with Exxon Pipeline Co. having a 20 percent

interest. These companies formed Alyeska Pipeline Service Co. to design and construct the Pipeline.

What's happening today

Right now, thousands of men and women are working on the Pipeline at many different camps spaced along the route. Employment will reach a peak of 15,000 workers at 29 camps.



The highest hurdle for the Pipeline will be the 4,500-foot-high Dietrich Pass in the Brooks Mountain Range.

The present schedule calls for the Pipeline operation to begin in the summer of 1977 at 600,000 barrels a day, with capacity of 1.2 million barrels a day shortly thereafter. Ultimately, the pipe may carry 2 million barrels a day. This important new source of oil will help America become more self-sufficient and less dependent on foreign oil.

For additional information on the Trans-Alaska Pipeline System, write: Exxon Corp., Dept. R, Box 1147, Ansonia Station, N.Y., N.Y. 10023.

EXXON

biweekly access. May they help find workable ways to bring about greater citizen access to print columns and broadcast time. For subscriptions (\$20 for twenty-four issues) write National Citizens Committee for Broadcasting, 1346 Connecticut Avenue N.W., Room 525, Washington, D.C. 20036.

Laurel: to the Public Broadcast Service and its affiliates, for the mature and informative quality of *Bill Moyers' Journal: International Report* — a welcome companion to *Washington Week in Review* and *Agronsky and Company*.

Who owns presidential records?

On January 31 Federal District Judge Charles R. Richey ruled that nearly all the forty-two million documents of the Nixon administration belonged to the government, not to the former president. (He excepted materials of a purely personal nature, which could be selected by Nixon, subject to review by the court.) Nixon's lawyer said he would

appeal the ruling, but it now appears possible that the principle of government ownership of government records — even those of U.S. presidents — will eventually achieve full legal standing.

It is astonishing that such an extreme threat to the historical record was necessary to draw national attention to the legal ambiguities surrounding control of presidential documents. As Judge Richey pointed out in his decision — and as historian Walter Johnson wrote in the last issue of the *Review* — nothing more than inconsistent historical practice could be invoked to justify private control of presidential records; there were no laws or legal precedents that applied. That former presidents were allowed complete control of such materials was a practice that Judge Richey quite properly criticized as monarchical, as well as unconstitutional under the so-called Emoluments Clause.

Along with public ownership, presumably, will come greater public access to the documents — access that has often been restricted by former presidents, for their own reasons.

Delving into outtakes

Research salvaged from the cutting-room floor (see "The Film on the Cutting-Room Floor," *CJR*, November/December 1974) has turned up three more bits of information about the current relationship of television journalism and the legal right to outtakes (news film that is not aired).

CBS, in contrast to its formal opposition to the surrender of outtakes under subpoena, has informally cooperated with police investigators. Richard Salant, president of CBS News, who is also a lawyer, says, "If you have real evidence in a murder, it's a different situation." He said that in the shooting of Joseph Colombo (according to federal law-enforcement agencies, the head of one of the five New York City mafia families) television station WCBS, the network-owned CBS outlet in New York, did informally permit police to look at outtakes. In many ways this was a return to the bad old days of informal arrangements informally agreed upon, but

under the guise of a new policy which supposedly prevents access to outtakes.

Last year NBC showed outtakes in court, but only in a civil case where NBC was the defendant: *Baxter Berry v. NBC*. Baxter Berry sued NBC, claiming "false light" invasion of privacy (an offense under the South Dakota civil law). He said outtakes would show bias on the part of NBC reporters. The NBC attorneys believed that a failure to produce the outtakes would prejudice their case, so they showed the film. The jury found against NBC anyway, but the verdict was overturned on appeal.

It has come to my attention that at least one large independent television station, which must for obvious reasons remain nameless, has a posted regulation that all outtakes must be destroyed after film is aired to head off subpoenas. Of course, very important film is squirreled away, but this station finds it easier to solve the outtakes question by fiat rather than by meeting legal subpoenas on a day-to-day basis.

M.S.

All the news that's fit to eat

"Ever eat a pine tree? Many parts are edible." — line spoken by Euell Gibbons in a *Grape-Nuts* TV commercial.

We have never eaten a pine tree, and we did not know, until Euell Gibbons told us, that we could eat parts of one. If this winter of economic discontent lasts much longer, however, we may give the author of *Stalking the Wild Asparagus* a ring to find out which parts to try out and how to prepare them.

In the meantime, that nutty commercial has left us wondering whether the news media, like the pine tree, can, in an equally unexpected fashion, serve as survival aids in these uneasy times. Surely, when so much of the news is bad news, there must be *some* novel way in which the media can come to the aid of their countrymen.

It seemed just possible that at least some parts of newspapers were, or could be made, edible. Newsprint is, after all, made of pine — and/or fir or spruce or hemlock — plus a dash of chemical cellulose. (The hemlock used in paper, incidentally, is the conifer, not the herb commonly known as poison hemlock or fool's parsley, whose juice Socrates chose to drink rather than to stop corrupting the youth of Athens by compelling them to think.)

Looking into the matter, we were surprised to discover that a process *has* been devised for making food out of newsprint. A two-stage operation, it involves extracting the glucose from the cellulose content of newsprint, then feeding the glucose to a batch of edible yeasts or molds or bacteria inside a fermenter. The resultant microbial protein — a beige paste which, when dried, turns to powder — is not tasty, but it can be made tasty. It's not exactly a food, either, but a nutritious "food analogue," which can be added to less nutritious foods. Dr. Keith H. Steinkraus, a Cornell University microbiologist and food scientist who is working on methods to speed up the process of converting cellulose into microbial protein, believes that much of our food in the fu-

ture will be derived from such unlikely stuff as newsprint.

Once this food, still in the developmental stage, comes on the market, will reporters and writers of editorials be able to eat their own words? No. The type will have to be washed out before the microbes will be allowed to go to work on the daily paper; type contains an unhealthy amount of lead. We had been aware of this hazard in a general sort of way. An article titled LEAD CONTENT OF PRINTED MEDIA (WARNING: SPITBALLS MAY BE HAZARDOUS TO YOUR HEALTH), which appeared in the March 1974 issue of *The American Journal of Public Health*, made us more specifically aware. Written by Morris M. Joselow, associate professor of preventive medicine and community health and director of the division of environmental toxicology at the College of Medicine and Dentistry of New Jersey, at Newark, and John D. Bogden, an instructor in that college's department of preventive medicine and community health, the article points out that lead-based paints may not be the only factor involved in lead-poisoning in children. The lead levels in newspaper pages with color are often so high, the authors report, that if a child makes only two spitballs from a colored page he will already have come close to swallowing the maximum allowable daily intake of lead from all sources — 300 micrograms. "Making three spitballs would put a child over the limit," Mr. Bogden told us over the phone, "and five would be downright dangerous."

As a food, then, newspapers are usable only after having been purged of every last trace of their news (and color) and having been worked over by such unlikely consumers as Dr. Steinkraus's crew of edible yeasts, molds, and bacteria. Meanwhile, they can stay as they are and help to grow food, as Maurice Franz, editor of *Organic Gardening*, points out in "Mulching with Newspapers Is Here to Stay!" which appeared in the December 1970 issue of *Organic Gardening*. Mulching with newspapers, the article's subhead proclaims, not only "controls weeds, improves soil texture, and regulates its moisture and temperature beneficially"; it is also "a great

way to recycle safely 50 percent of our refuse."

How else can newspapers serve? Well, as the poor have long known, inserted between shirt and jacket, newspapers can serve as a makeshift sweater; spread out over the sheets, as a rustling blanket; and, stuffed between walls, as insulation — though here their flammability poses a problem. Also, rolled up tight, they provide a log analogue — though here the lead they send up the flue and into the air may be a drawback. (An EPA spokesman informs us that in the process of combustion "the lead content of newspapers is probably thrown off as a fine lead oxide particulate.")

Meanwhile, what about television as a survival device? We thought for a moment about using our TV set as a

combination light bulb and hand-warmer. But as a source of light — in the literal sense of the phrase, if no other — TV is pretty dim. And as a source of heat, even the hugest TV set throws out only enough warmth to keep a bug feeling snug. Perhaps a really hot movie rerun would help?

We envision ourselves living the more rigorously recycled life of the future: we sit in a room whose chill not even the analogue blazing in the fireplace can dispel. We are wearing our newspaper sweaters. We have drawn our newspaper blankets up over our knees. From time to time we dip into the bowl of All-the-News-That's-Fit-to-Munch Crunchies at our side. We are leaning forward, trying to warm our hands before the televised rerun of *The Towering Inferno*. Jon Swan

CIA and the press: a follow-up

In the September/October 1974 issue of *CJR*, I reported for the first time that the Central Intelligence Agency had, in the late 1950s and the early 1960s, owned 40 percent of the stock in the Rome *Daily American*, an English-language

newspaper published in the Italian capital since the end of World War II.

It has now come to my attention that the fact of the CIA's interest in the paper was in the material deleted from *The CIA and the Cult of Intelligence*, by Victor Marchetti and John D. Marks, after the agency's successful litigation against the authors and the publisher of the book. The *Daily American* would have been mentioned in the second paragraph on page 165.

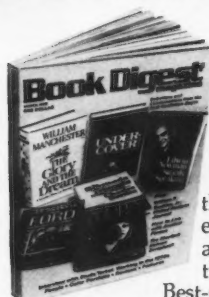
The agency severed its tie with the *Daily American* in 1961, according to a former agency official. If that is really the case, then the CIA has no legitimate ground for continuing to demand concealment of its past relationship with the paper. The agency's insistence on continuing the cover-up can only be taken as an indication that it may in fact still be using the paper for its own purposes.

If that is not the case, the agency should give a full and frank accounting of its involvement with the *Daily American* and — if it can — reassure the American people that it is not polluting the world's information networks through this medium.

Stuart H. Loory



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Secrecy, privacy, and publicity

When the press
isn't told
who is in jail,
the protection
of individual privacy
has gone too far

by W. H. HORNBY

The preservation of privacy seems to be one of the main legislative passions of the moment — a passion in part created out of congressional reaction to public indignation over the Watergate disclosures. Obviously this concern for privacy is welcome — as long as it isn't used as an excuse to strengthen the opportunities for secrecy in the government. It should come as no surprise, in the present climate, that legislation has been and probably will again be considered by Congress that in the name of privacy would forbid access by the press to such traditionally public records as police blotters and criminal records. The framers of this legislation have been aware that there are problems in this approach, and have tried to solve them.

As an example of what can result from laws intending to protect individual privacy, Honolulu last summer turned into a police city for a few days, until the courts intervened. A statute designed to protect the privacy of arrested persons had been passed by the state legislature. It was interpreted by police officials as prohibiting the release to journalists of any information about incarcerations or arrests. In effect, the press could not find out who was in jail for what offense—all in the name of protecting the rights of individuals. Citing the same law, a prosecutor refused to release names of persons indicted by a grand jury.

The intent of this privacy legislation was to prevent the careless bandying about of names of individuals arrested; the effect, as the law was applied by government, was to cut off the flow of information to the public about police activities—information that must be available if the rights of due process and of a speedy trial are to be preserved. We still need to know who is in jail and

what the charges are against them. We still need to know who has been indicted. If we don't insist on this knowledge, we are in the same position as the Germans who, in their privacy, wondered about the sighing cargoes of those long freight trains that passed in the night. My point, simply, is this: our passion for privacy in this age of great worry about individualism can easily be directed into unwholesome channels by those interested in the cause of official secrecy.

Edward Shils, a sociologist, political scientist, and a student of the American, British, and German systems of government, has written of the balance we seek. Reviewing the history of Western man's struggle for freedom in *The Torment of Secrecy*, he writes:

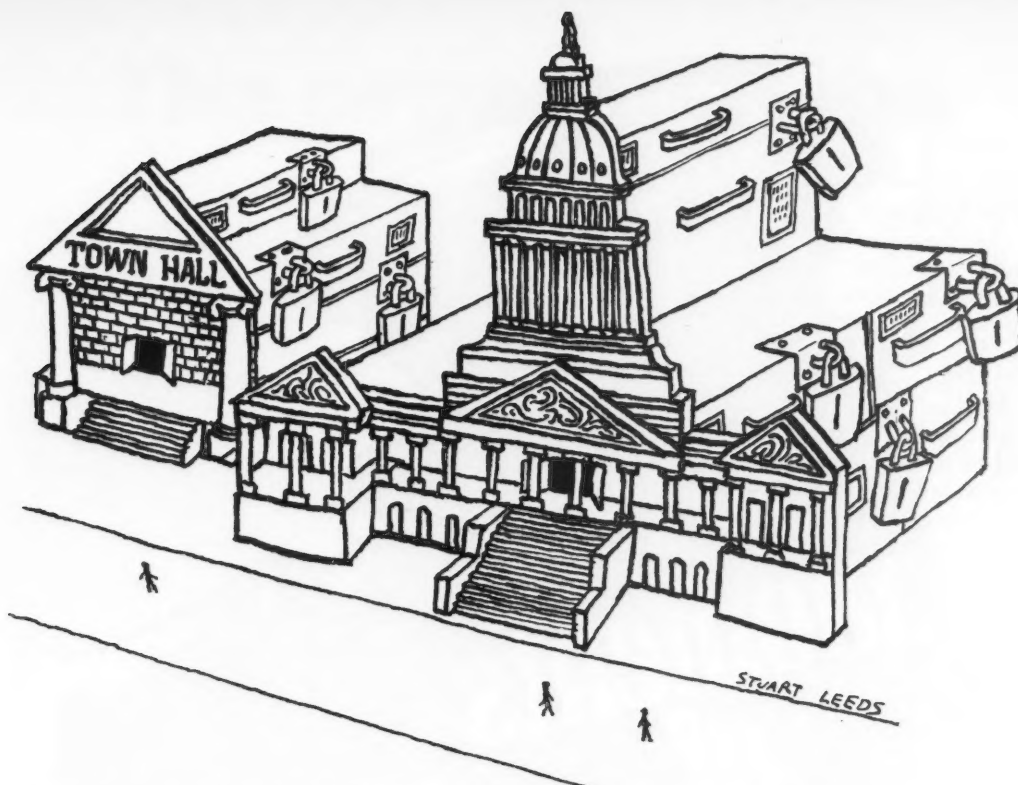
The struggle for constitutional government, for the extension of the franchise, and particularly for the freedom of the press . . . was directed against privacy in government. Almost as much as the extension of the franchise and constitutional restraint on monarchical absolutism, publicity regarding political and administrative affairs was a fundamental aim of the modern liberal democratic movement. The demand for the publicity of governmental affairs was attended by a demand for the protection and reinforcement of privacy in other spheres—a demand which was itself the child of the aspiration for individual liberty.

The result, Shils says, was a balancing of rights:

The tradition of liberal, individualistic democracy maintained an equilibrium of publicity, privacy, and secrecy. The equilibrium was enabled to exist as long as the beneficiaries and protagonists of each sector . . . respected the legitimacy of the other two and were confident that they would not use their power and opportunities to disrupt the equilibrium. The principles of privacy, secrecy, and publicity are not harmonious among themselves. The existence of each rests on a self-restrictive tendency in each of the others.

In these definitions, we should note, publicity is a shorthand expression for

W. H. Hornby is vice-president and executive editor of The Denver Post, and chairman of the Freedom of Information Committee of the American Society of Newspaper Editors.



the free flow of information held vital to the democratic political process. Publicity simply means the freedom of the press in its broadest interpretation. Privacy, of course, is the right of the individual to be let alone, to enjoy solitude, intimacy, reasonable anonymity, and to reserve personal information. And secrecy really means official secrecy—the right of the government to withhold information.

Each of these elements is necessary to some degree, but what is the balance between them? These are the very questions the country agonized over during the impeachment debate: when can publicity expose secrecy? When can secrecy invade privacy?

Few can doubt, surely, that these elements are getting out of balance, with the passion for official secrecy overriding both the right of the individual to privacy and the right of the citizen to free access to essential information about the actions of his government.

Shils wrote during the McCarthy era, when Congress, rather than the president, was equating the sanctity of governmental secrecy with national security, and was ruthlessly invading the privacy of individuals. The Congress

gradually corrected its own excess, and censured Senator McCarthy.

Now, two decades later, the Nixon administration has met a similar fate, in large part because of its passion for secrecy — maintained all too often at the expense of individual privacy as well as the public's right to know what its elected officials are up to.

Out of the McCarthy era came an overblown system of classification and repression of public information. Out of the Watergate era, similarly, may come legislation and executive rulings in the name of privacy which in fact advance secrecy and penalize legitimate publicity. In my judgment, the clear measure of the shifting balance over these decades is that secrecy already has advanced too far.

The real issue is not between privacy and publicity, but between both privacy and publicity allied in the fight to regain their balance against secrecy.

Many critics of journalism think differently. They maintain that the worst invaders of privacy are newspapers, magazines, and broadcasters. One reason for this impression is the relative visibility and noisiness of journalism. The governmental war against privacy, on the contrary, is carried on quietly, in the name of "national interest" or "na-

tional security." Watergate has revealed just a few of the many invasions of privacy conducted by governments in the name of national security. These tendencies can be found under all forms of government. But they reach their ultimate expression in totalitarian societies, where governmental secrecy and the lack of privacy accorded to individuals approach the absolute—the literal negative of the libertarian aims of our own Constitution.

When compared to invasions of privacy practiced by governments in the name of secrecy, the cases of irresponsible intrusions by journalists into the privacy of individuals, however inexcusable, shrink to a regrettable but relatively small proportion. These cases are publicly litigated, and most privacy law is written around them. These battles are carried on in the open, and we witness them. We tend therefore to think of them as being the whole war. They are not. A journalistic invasion of privacy may affront dignity and might damage someone financially, but such journalistic abuses seldom tend to destroy liberty itself. I suspect that Alexander Solzhenitsyn, for example, preferred to endure occasional invasions of his privacy by journalists rather than forever surrender all his privacy to government. ■

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The press in Cuba

Where *Granma*
is the life
of the party

by TED MORGAN

An enemy of Socialism cannot write in our newspapers — but we don't deny it, and we don't go around proclaiming a hypothetical freedom of the press where it actually doesn't exist. . . . Furthermore, I admit that our press is deficient in this respect. . . . Not that I would tell you we delude ourselves that under the present circumstances journalism can have any other function more important than that of contributing to the political and revolutionary goals of our country. We have . . . an objective to fulfill, and that objective essentially controls the activity of the journalists. — Fidel Castro in an interview with Lee Lockwood in 1965. From *Castro's Cuba, Cuba's Fidel*. Reprinted by permission of the Macmillan Publishing Company and Lee Lockwood

With sixteen years of revolution behind them, and with visits from foreign journalists increasingly infrequent (AP and UPI were closed down in 1969), Cubans had all but forgotten what the Western

Ted Morgan is a veteran journalist.

press is like. They were reminded last September, when nearly thirty reporters, who had not been picked for their ideological credentials, landed with Senators Jacob Javits and Claiborne Pell, who were on a fact-finding mission for the Foreign Relations Committee.

The Cubans had been subjected to American invasion and American subversion, but not to American irreverence, and they were puzzled. Cuban editors, accustomed to seeing their own officials treated with deference by the press, could not understand how the American reporters could be so off-handed with the two senators they were accompanying.

When the reporters visited the cold-storage compartments on the Havana docks and an eager attaché pushed boxes of frozen lobster tails in Javits's face as he shivered in his tropical suit, one of them asked if this was what was meant by a chilly reception. When the senators gave their press conference, the reporters asked how they had felt while listening to Castro's vitriolic anti-

A confrontation of cultures: American newsmen meet Cuba's maximum leader



Columbus O'Donnell

'Castro's trained press should be viewed against the backdrop of Cuban newspapers before the revolution. Batista paid an estimated \$450,000 a month in bribe money to newspapers'

American speech, delivered on television the day after they arrived, and whether they had remembered Barry Goldwater's words: "Javits and Pell will have some explaining to do to the American people." On another occasion, while the senators were exchanging pleasantries with Castro at a reception, Pell introduced his brother-in-law, Mr. Columbus O'Donnell, as a foreign correspondent. "What paper do you represent?" Castro asked. "*The New York Daily News*," said Mr. O'Donnell. "It has a small circulation." "It's an important paper with a large circulation," the interpreter said. The reporters who knew Spanish howled with laughter. The man from the *New York Daily News* turned to the man from the AP and said: "I've got my lead — Cuba is called the pearl of the Caribbean but it's been a pain in the neck to the United States since 1902."

The mutual manipulation of a free press and elected officials was beyond the Cubans' grasp. The senators were using the reporters for a platform (Javits was up for reelection and had the front page of *The New York Times* four days in a row), while the reporters were using the senators to get front-page by-lines. "These American reporters are like wild men," a Cuban official said.

Here were two different systems face to face — one where the press is powerful enough to provoke the resignation of its chief executive; the other at the service of the state, extolling its achievements and publishing verbatim the four-hour-long speeches of its maximum leader.

About half the reporters stayed on for several days after the senators had finished their headline-grabbing. At the House of Americas, a cultural center, the poet and editor Roberto Retamar briefed them on the absence of censorship. He quoted Castro's "Words to the Intellectuals": "Inside the revolution, everything. Outside the revolution, nothing." This meant that a writer could say what he wanted so long as he supported the Cuban revolution, but if his point of view was nonrevolutionary, he would be silenced.

"Remember what George Bernard Shaw said," Retamar went on, "I am not against censorship if the censor is myself." Like any editors, we have to

select some things and reject others. But we have no censorship in the sense that there is a censor apart from the editor, who acts from ideological criteria. I might reject a poem because I think its style is weak or its content is ideologically weak." The reporters scored a point when they won from Retamar the admission that he had not read Solzhenitsyn, who has not been published in Cuba, and that, in any case, his was "a minor work."

After listening to the cultural bureaucrat, the reporters met the editors of Havana's only afternoon paper, *Juventud Rebelde*, the organ of the Communist Youth. Jorge Lopez, the thirty-year-old editor-in-chief, thin and sunken-eyed, said he had lost a lung in the service of the revolution. (This turned out to be a Cuban way of saying that he worked long hours.) He explained that he had a staff of eighty-six and was paid 165 pesos (about \$200) a month. "We're not concerned about how much we earn," Lopez said. "The Marxist principle is to everyone according to the quality of his work. The nature of our work," he quickly added, (for a low salary might in that case have been attributed to some professional failing) "would have allowed us to ask for a raise, but from an intellectual standpoint we felt that a raise was not warranted."

Lopez said that his newspaper served the people while American newspapers were run by giant trusts and reflected the interests of wealthy men. "We have nothing against the people of the United States," he added. When a reporter asked how he could disassociate the government from the people who elected it, he said: "You have a good sense of humor."

Lopez said that on occasion he had criticized bureaucratic inefficiency in the government. He had started a letters-to-the-editor column in which people complained about government snafus. This, he said, was one of the most popular items in the paper.

Groomed in the city-room tradition of the tough question, the American reporters often embarrassed their Cuban guides as they toured the country. On a visit to a thriving citrus farm, they wanted to know why you could not buy oranges in Havana. At a secondary

school, they noticed that all the history textbooks were by Russians. At the Museum for the Revolution, in front of a photographic exhibit of the Bay of Pigs landing, a reporter asked: "How many casualties were there?" "I'm afraid I don't have the exact figures," the curator said. "You mean you're still counting?" the reporter replied. Was nothing sacred? wondered the Cubans, who have piously preserved Che Guevara's beret and Fidel's combat boots, like slivers of the true cross.

Castro's trained press should be viewed against the backdrop of Cuban newspapers before the revolution. The island then was awash with newsprint. There were between sixty and seventy newspapers, eighteen of them in Havana. In 1956, the country

ranked fourth among nations of the Western hemisphere in ratio of newspaper readership to total population. Despite their varied and colorful personalities, however, Cuban newspapers were curiously uncritical of the Batista regime. The *botella* (bottle, or bribe), was the most common way to curb muckraking editorial writers. Batista paid an estimated \$450,000 a month in bribe money to newspapers.

A writer named Ichaso, who worked for the respected Catholic conservative paper *Diario de la Marina*, appeared to be the principal conduit for the bribe money. Most papers were shoestring operations. They depended on bribes, which took on the nature of unofficial government subsidies, to survive. Editors were paid salaries for nonexistent government jobs. In return, they

followed a pro-Batista line and condemned the "terrorism" of Castro's *barbudos*.

When Castro took power in January 1959, he published a list of journalists who were on the pad. Determined to get rid of the bourgeois press, he expropriated five dailies outright, under the Law for the Recovery of Stolen Property, on the grounds that they had been entirely government-subsidized. Newspapers able to demonstrate a shred of independence were allowed for the moment to survive. In the meantime, the new regime moved into the offices of two of the expropriated papers and founded *Revolución* and *Hoy*.

Castro used the printers' union and the journalists' guild to undermine the remaining privately owned papers. In November 1959, the guild passed a

Granma

Havana, September 8, 1974
Year 9 / Number 36

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THE CENTRAL COMMITTEE
OF THE COMMUNIST
PARTY OF CUBA

CUBA, WORLD BOXING CHAMPION

USSR THE RUNNER-UP

USA TAKES THIRD PLACE



Commander in Chief Fidel Castro, First Secretary of the Central Committee of the Party and Prime Minister of the Revolutionary Government, attended the final session of the 1st World Amateur Boxing Championship. With Fidel are Major Juan Almeida Borge, member of the Political Bureau, Bernardino Castillo Man, Deputy Prime Minister of the Revolutionary Government, and José Narulla, all members of the Central Committee; Jorge García Bengo, General Director of the National Institute of Sports, Physical Education and Recreation; and Manuel González Guerra, President of the Cuban Olympic Committee. The trophy won by the Cuban boxing team appears in front of them.



RAUL WITH THE DELEGATES
OF PEOPLE'S POWER IN MATANZAS PROVINCE



WHAT THE CREATION OF REPRESENTATIVE
INSTITUTIONS MEANS THEM IS THE DEFECTING

resolution permitting the printers to set postscript comments to articles. Editorials began to carry riders on the order of "the contents of this article do not conform to the truth, nor to the most elemental of journalistic ethics." The press, according to Castro, belonged to the people, and the printers were the people's guardians. These footnotes, called *coletillas*, or little tails, became quite popular, for Cubans were unaccustomed to controversy in their papers.

In January 1960, the printers refused to print an editorial by the editor of *Avance*. The government took over the paper and the editor fled to Ecuador. An evening paper, *El País*, collapsed after an editor refused to print a *coletilla*. It became clear that there was no place for the "bourgeois press" in the new Cuba.

Upon returning from his first trip to Russia in 1963, Castro announced that *Pravda* should be the model for the Cuban press. "It's a newspaper with only four pages," he said, "where they condense all the important news. They have marvelous editors, I can tell you. . . . I don't read Russian, but that's my impression." Fidel had returned wanting a newspaper responsible only to him — enough of this petty harassment with the *coletillas*, this pretense at an open press. He did not want the slightest deviation from the government line. In 1964, a columnist named Segundo Cazalis, who had ventured a joke about the revolution, was dignified with an attack by Castro himself, and his column was killed. "These gentlemen who write 'truth never hurts,' " Castro said, "I don't know whether they conceive of truth as an abstract entity. Truth is a concrete entity in the service of a noble cause."

In October 1965, *Hoy* and *Revolución* were merged into one paper, *Granma*, the official organ of the newly created Cuban Communist party. That this new organ should have a name taken from the American vernacular for grandmother (*Granma* being the name of the Florida-based yacht that Castro had used to land in Cuba in 1956) was not its only peculiarity. With its florid prose style, red banner headlines, and abundant photographs (including occasional cheesecake), it was like a tropical tabloid version of *Pravda*.

Granma was supplemented by

Juventud Rebelde in the afternoon. Today, they have respective circulations of 530,000 and 200,000. They carry no ads, since they are fully subsidized by the government. The editors do not have to worry about balance sheets, circulation figures, or competition. Their primary concern is faithfulness to the official line. Cubans can say there is no censorship because editors are chosen for their correct thinking. They know what is expected of them if they want to keep their jobs. A man like Jorge Lopez seems to walk the path of orthodoxy effortlessly. He naturally approves of, rather than questions, the government's goals.

The model comes from the Soviet Union, the newsprint from Red China, and the result is a tone of editorial blandness that not even Batista's half a million dollars a month in *botellas* could buy. *Granma*, with its special emphasis on Castro's activities, is like an eighteenth-century court calendar: at four o'clock the king took a stroll, at five o'clock he received three ambassadors on his *chaise percée*, and at six o'clock he listened to a petition from his grateful subjects. Leafing through the pages of *Granma*, we see that the Isle of Pines, a former prison camp, has become Cuba's grapefruit paradise, that three shrimp boats have arrived from Peru, that the comrades in the traffic department of the Ministry of Interior have designed new road signs for the tenth annual cycling tour, that Castro received a grateful Panamanian delegation, and that a Cuban delegate read a remarkable position paper at the fourth congress of Arab journalists in Damascus.

The papers reinforce rather than comment upon Cuban policy. The drumbeat of propaganda is so insistent that resident Western reporters like the Reuters man can unconsciously adopt ready-made phrases such as "after the triumph of the revolution" in their own copy. *Granma* writes glowingly about the Soviet Union, extols Latin American guerrilla movements, and whips up anti-American sentiment. During the Vietnam war, readers of *Granma* learned, the heroic Viet Cong repeatedly destroyed the American air force. During the Watts riots, thousands

of Negroes from California fled for their lives into Mexico. Today in Boston, police dogs are devouring blacks who try to send their children to school.

If *Granma* reads like a court calendar, *Juventud Rebelde* is written along the lines of a house organ, in which the uninteresting activities of loyal employees are given prominence to boost company morale. The following were the front-page stories in a random issue (October 7, 1974). The *cincuentanarios* (veterans of fifty years of cane-cutting) visited an agricultural fair. Czechoslovakia will participate in the Cuban bicycle races. The second festival of political songs will open tomorrow. A Soviet fishing vessel is due to arrive in Havana. Prices in tourist centers are dropping by 25 to 50 percent. A cargo of Russian furniture is on its way. The Russians have begun to tap reserves of natural gas in the Urals. The Swedish minister of development visited a technical center in the Sierra Maestra. In the federation of secondary school students, ninety new sections were formed. Half the back page of this eight-page issue was devoted to the six steps required to execute the new *Pionero* salute (the *Pioneros* being Communist boy scouts).

I suppose that this house-organ philosophy and this relentless tone of self-congratulation are aspects of underdevelopment. Perhaps a nation whose survival is in doubt cannot afford the luxury of dissent. Cuba in its early years, menaced with invasion and beset by economic difficulties, needed to mobilize public opinion. The media served as cheerleaders. Today, the Cuban regime is halfway through its second decade. The country is stable, increasingly prosperous, enjoys the highest rate of literacy in Latin America, and yet the press is still frozen in the editorial stance of the early days. The Soviet example is not a flexible one. And Castro still seems to feel that giving the press more freedom would create more problems than it would solve. Perhaps the only way the Cuban press could change would be in the context of improved relations with the United States. Bureaus could reopen in Havana, Cuban journalists could study journalism here, and Cuban newspapers could timidly assert their function as providers of information. ■

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COORS BREWS THE NEWS

"We tell both sides," said the president of a TV news service backed by conservative Joseph Coors. CJR agreed, after taking a hard look. But our gaze also fell upon a pattern of ideological pressure by management, and the dismissal of journalists who disagreed. Its history alone makes the service worth watching. Carefully.

by STANHOPE GOULD

In early 1960, when I worked at WBBM-TV, the CBS station in Chicago, there was a courier/copyboy named Aaron Gold. I knew he would make it some day because he was a supremely natty dresser and because on days when President Eisenhower held morning news conferences in Washington he would literally risk his life by driving at suicidal speeds from the airport with film of the news conference so that we could use the story on our 6:00 P.M. local news. Today, Aaron Gold writes the gossip-celebrity column for the *Chicago Tribune*, and no one has to risk his life because there is a syndication service that transmits newsfilm for local use instantly and electronically to WBBM-TV (and, as of February, to thirty-seven other stations across the U.S.). The service is called Television News, Inc. (TVN).

* * * *

"God, it's good," said a Western friend whom I called to ask about Coors beer.

The Adolph Coors Company, brewers, of Golden, Colorado, provides most of the backing for TVN, a two-year-old attempt against heavy odds to break the hold of the networks on what America is told about what is happening every night. Each day at 4:30 P.M. (eastern time) it transmits approximately twenty-five film packages to subscribing TV stations — a mix of hard news, sports, and features that the stations can spot in their newscasts as they please.

TVN is now the only non-network source of national and international newsfilm for the nation's commercial TV stations. The company bought out the competition — a film service offered by United Press International — in 1974. In

Stanhope Gould, formerly a producer for the CBS Evening News, has been a network news producer for ten years. He was awarded an Emmy for reporting on the Russian wheat deal.

the twenty-two months that TVN has been in business, the company has had four news directors (two were fired and an acting news director quit) and one mass firing of news staffers. Shortly after TVN began, a battle broke out between staff and management. Much of the fighting arose from management's feeling that journalists slanted the news in the direction of knee-jerk liberal beliefs and a feeling on the part of many TVN newsmen that management (the Coors family) wanted a right-wing news network. So far there has been no discernible political thrust to the coverage — but there is evidence that this is not because members of management haven't tried.

TVN deserves credit for transmitting stories that the networks usually keep for themselves until they are run on the Cronkite, Chancellor, and Reasoner shows. A recent company survey found that 83 percent of the clients judged the news service to be "satisfactory." Yet, TVN's coverage is often low quality ("They've worked their way up to a 'C' or 'C-plus'," said one news director). The news service is understaffed, and the company has failed so far to sign up nearly enough clients to break even.

Now TVN is moving to set up its own television transmission network using the domestic satellite. It's an idea that would make TVN first with a dramatic new technology — a plan that management hopes will make Coors as big a name in broadcast journalism as it is in beer. This potential for reaching a greater share of the mass audience warrants a look at the history of TVN.

There is a mystique about Coors — the beer *and* the company. Coors is the fourth largest brewery in America, although it is distributed in only eleven western states. It is the most popular beer in ten of those states, with some incredible shares of the market — 41 percent in California, 68

And then there were two:

Of this group of seven journalists photographed at TVN headquarters in 1973, only Michael Keating (far right) and Dennis Swanson (third from right) continue to be employed by TVN. Dick Graf, TVN's first news director, is second from right.



Edward Ozem

'I'll put pieces on the air that will make your flesh crawl'

percent in Oklahoma. Easterners carry the stuff home in their luggage. Reportedly, Gerald Ford has brought Coors home from his ski vacations. In January, a Secret Service agent got into trouble when he was caught traveling with forty cases of Coors on a plane accompanying Henry Kissinger on a California trip (the Secret Service called it "an excessive amount of personal property").

The brewery and other Coors enterprises (a giant porcelain manufacturing operation, a container company, extensive agricultural and mineral holdings, a construction company, a trucking company) are run by the brothers William and Joseph Coors.

Joe, the more public of the Coors brothers, is known as a big Reagan backer. In 1966, Joe Coors won a statewide election for regent at the University of Colorado on a platform of cracking down on student protesters — and he delivered by leading a successful drive to throw the Students for a Democratic Society off the Colorado campus. While regent, Coors also supplied the money for an alternative campus newspaper to provide a conservative viewpoint.

"Coors is the most important right-wing ideologue in the state," said one Colorado Coors-watcher. "He's the anchorman for the right-wing point of view."

It was to Joe Coors that a Boston investment banker, Robert Pauley, sold the idea of an independent television news service in 1972. It would take big money. Up to that time the syndicated newsmagazine services — chiefly UPI — had air-expressed their film packages to clients. This meant that those services were essentially providing a sports and feature service, since the hard news was dated by the time the subscribing TV stations could get the film off the airplane.

Pauley's plan was to establish a network-like electronic audio-video hookup — using the tremendously expensive telephone company lines that CBS, ABC, and NBC use to transmit their news. Pauley first had the idea back in 1967. He discussed the plan with several possible backers. Joe Coors — in the best tradition of the tall, rugged, silent westerner those who have met him say he is — decided to let others do the talking. He decided to act.

[We] got into it because of our strong belief that network news is slanted to the liberal left side of the spectrum and does not give an objective view to the American public.

— Joe Coors, from an interview in the *Rocky Mountain News*, August 25, 1974

To: Joe Coors

From: Jack Wilson July 26, 1973

Subject: Critique of Daily News Feed

Martin Luther King was an avowed communist revolutionary. It is not necessary for us to cover him or any of his subordinates (Abernathy) just because the other networks do so. We are going to be different — if we are going to be the same then we are going to continue to cover all of the communist stories and carry all of their lines. [When he wrote this memo, Wilson was assistant to the executive vice-president of the Adolph Coors Co.]

"I don't want to indicate that the networks are slanted in any way. I'll leave that to somebody else. But the one thing that we try desperately to do is to get both sides of an issue. We don't feel it's our responsibility to make up anyone's mind for them . . . but rather to give the American public . . . which is a very intelligent group of people . . . both sides of a story and enough information about both sides in an honest factual way so that they can make up their own minds."

— from a recent interview with Jack Wilson, now president of Television News, Inc.

The first newsmen hired by TVN were worried by what they knew of the politics of the Coors family.

"Here are the Coors people, who think the government went Red when it took over the mail," said one of the early staffers. "But John Gilbert (TVN's first president) said the networks don't tell it straight and all TVN wants to do is tell it straight."

That sounds simple enough. But it's really too simple, if not wrong. I have worked for the networks as a news producer for ten years and whatever may be wrong (general superficiality, occasional chicken-heartedness) there is a tremendous effort to tell it "straight." Although Coors and company clearly thought that "straight" was something different from what the networks were doing, they started out by hiring network news types as their first staffers. That set the stage for the conflicts to come.

In January 1973, TVN hired as news director Dick Graf, a newspaper man for ten years, writer for the NBC Network News, news director of WNBC in New York, director of the NBC syndication service and managing editor of *The 51st State*, which used to be a daily news show on the public television station in New York. Graf is described by friends as a "rugged Dutchman," very direct, very tough.

Graf has refused to discuss what happened at TVN, saying he fears that anything he says might jeopardize the jobs of people he hired. What follows is made up of interviews with former TVN newsmen — including friends with whom Graf talked frequently.

When he was hired, Graf wanted a clear understanding about the possibility of Coors interference in the news operation — so he confronted Joe Coors.

"There will be days when I'll put pieces on the air that will make your flesh crawl because of your personal beliefs," Graf is reported to have said to Coors. "But I'll be doing it because of my professional news judgment and I'll play them down the middle."

"That's what we want you to do," Coors is quoted as saying. "As long as its down the middle — okay."

Predictably, one man's "down the middle" turned out not to be another's. This was demonstrated as early as June 4, 1973, when the board of directors issued a statement declaring that its policy "requires a more balanced presentation of the news than the service has thus far exhibited."

continued

'Nothing like this should ever be allowed on our air'

That was less than three weeks after TVN had begun operation. It would later become clear that Graf and the news staff meant one thing (the traditional news definitions) when they talked about "balance" — and that TVN management often meant something else.

Coors had already assigned his assistant, Jack Wilson, to watch the news store. Wilson is tall, blond, slender, and projects boyish charm with bright-eyed enthusiasm and excited gestures. He worked in local TV news in Rockford, Illinois, and was news director of a Denver station in the mid-sixties before joining Coors. His work for Coors occasionally brought him to Washington. One staffer quotes Wilson as saying he used to deliver Coors beer to H. R. Haldeman.

Wilson made Washington his base of operations on his mission for Joe Coors. But he wanted to do more than watch. TVN had hired Bob Frye, a former ABC-TV news producer, as Washington bureau chief. Several weeks before TVN even began operation in the spring of 1973, Wilson bombarded Frye with story ideas — in effect trying to go to work as an unofficial correspondent. Frye also refuses to discuss events at TVN, but another ex-staffer said:

"Wilson popped in on Frye and put him in a very delicate position."

Delicate is right. This was not the usual, casual, occasional wouldn't-it-be-nice-if-we-could-do-a-story-on-that from a non-news member of management that most journalists have experienced. It was a deluge of memos, amounting to a heavy dose of management pressure. They were the result — according to former staffers — of extensive contacts by Wilson with conservative legislators during the period just before TVN started up.

I have seen copies of Wilson's story suggestions to Frye for three days in May 1973. There were at least six story ideas on May 10, four on May 14 (the day TVN started operating), and five on May 15. The flood of Wilson story suggestions resulted in a call for help from Washington Bureau Chief Frye to News Director Graf in New York. Graf, according to friends, went to TVN president Gilbert and said that Wilson had to be told to stay out of the Washington bureau. There followed a series of meetings with TVN management attempting to package Wilson in a form acceptable to Graf.

Could Wilson work as a free-lancer? asked management.

No, said Graf, because he would not be just any free-lancer. He is associated with Coors and we have to disassociate ourselves from Coors.

What if Coors paid for the film crew . . . if it didn't come out of the TVN budget? Worse yet, said Graf, we just cannot afford to have anyone with a Coors connection working for us. (Graf had been inundated with questions about the possibility of Coors political influence on the service at a convention of radio and TV newsmen. Graf had told them that he

would never permit this to happen.)

In the fashion of news bureaucracies, the tussle between Graf and TVN management dragged on, with the constant flow of story ideas from Wilson and constant pressure to allow him to get his own crew and *do* stories.

What if Wilson were to quit his job at Coors, asked management, could he then come to work as a reporter for TVN? No, said Graf.

The showdown on Wilson came in June 1973, two weeks after TVN had opened for business. It was over this:

FOR IMMEDIATE RELEASE

TELEVISION NEWS UNCOVERS MAJOR INTERNATIONAL SCANDAL FACING WEST GERMAN GOVERNMENT

Bonn, W. Germany-Friday-June 1, 1973 — Television News, Inc., America's new television news service, reported today that the West German Government is facing a bribery scandal that may become that country's Watergate.

Indications are that two members of Parliament accepted bribes to show a vote of confidence in Chancellor Brandt in 1972. . . . Today in Bonn, Dr. Werner Marx, Foreign Policy Chairman of the Opposition Christian Democrats told TVN in an exclusive interview that "apparently two members of the C.D.U./C.S.U. caucus, probably bribed, voted against their own (party) Chairman. . . ."

Wilson, prevented by Graf from doing any television reporting in Washington, had turned up in Germany, hired a camera crew, and done a stand-up report on the "German Watergate." Graf later told associates he had felt the story lacked documentation. (Visnews, the film agency which supplies TVN with its international coverage and is a partner in TVN, had Wilson's film available in London, but did not use it.) Graf said that if TVN went ahead with the press release and the story, he would quit — and he demanded that the press release be retracted. Gilbert refused. Graf resigned, protesting management interference in the news operation.

That night, during the daily conference call to critique the feed, Graf told TVN's four bureau chiefs that he had quit and why. The bureau chiefs asked Graf to put Gilbert on the phone. The bureau chiefs told Gilbert that if Graf quit, they would, too. Gilbert hung up and told Graf that he was killing the press release. Graf agreed to stay on. But — in the words of an ex-staffer — "from that time, Graf was a marked man."

As it turned out — aside from the question of whether a member of the board of directors should work as a reporter — Wilson did have part of what eventually became a good story with his "German Watergate," thin though it was when he presented it. The German legislature set up a committee to investigate the bribery charge, but the committee has not yet issued a final report. (This incident did not figure in the controversy that later led Brandt to resign.)

When I recently asked Wilson about his flow of story memos to the Washington bureau, he said: "It was plain

that they were suggestions. I intended the stories to be helpful and having someone misinterpret them is something I feel very sorry about. It wasn't my intention to poke a nose where it didn't belong."

Today, as president of the company, Wilson expresses sadness and regret about what happened between him and the staff in the early days of TVN. But, after losing his battle with Graf, Wilson adopted a very different tone in a series of memos he began to send to Joe Coors. The memos, written in June and July of 1973, were an evaluation of the TVN news product — mostly in terms of Wilson's political and philosophical views. They were also an attack on the news staff. Copies of the memos were obtained by news staffers, and circulated among employees. Some excerpts:

To: Joe Coors

Bob Pauley

From: Jack Wilson

Subject: Continuing Critique of Daily News Feed

* This critique is to look only at the philosophical points of our news service.

** Please note: Harry Truman said, "Give me the reporters and you can have the publishers."

June 1, 1973

Agnew Speech. Very good. Clip showing Agnew in a relaxed and human fashion. This was one of the stories we could be proud to show our friends.

June 20

Summit Meetings. Another major point here. The film coverage of the Summit Meetings between Brezhnev and Nixon was quite good, but I believe accidentally Ford Rowan is falling into the pattern of all typical network television people of the day. By referring to Brezhnev as the "Soviet leader", he puts the man in the same category as Nixon. Gradually, through the use of that term, we begin to forget the differences between the two. Brezhnev is not elected, but our President is. Brezhnev is actually a party boss and should be so identified. In the story he says, "the leaders are working for peace." So now Nixon is a leader and Brezhnev is a leader and the two are the same in the minds of the viewers. This subtly obscures the fact that there is a real difference in our sys-

tems. With all of the media doing the same thing, we gradually break down the barrier and create a climate of equality between the Russian and American systems. The end result is that they are upgraded, we are downgraded and everyone is equal.

That reminds me of the plan of some ideologies regarding our economic system — equality at the expense of all.

June 21, 1973

* Am reviewing this on a Saturday morning in comfortable clothes and on a pleasant day, so the things that follow don't come from an upsetting day or any other factor.

Smut. This is ABSOLUTELY OUTRAGEOUS!!! TVN has made me explode on several occasions and this has got to rank in the top three. Our announcer says nothing about the problems of smut or in any way supports the Supreme court of the United States, but rather picks out a fellow that says that smut is OK and is allowed to give his reasons and that is the end of the story. In my opinion no one in our news department has learned one thing, and on this issue alone several people should be fired!! I really find it impossible to believe that these men in our television news department can raise such a fuss, kicking the slats in their crib over an issue one minute and in the next one turn right around and do it themselves. This is the most unbelievable type of one-sided news reporting.

June 27, 1973

Cambodia Bombing Veto. I have learned something from this particular story . . . do not do critiques during lunch hour while trying to digest food. How in the #%(\$ can our autocratic professional journalists swear on the shrine of Walter Cronkite that they would be mortally wounded if anyone from the outside tried to make them less than balanced in reporting news? How can they stand in front of John Gilbert, Bob Pauley and the rest of us and claim their innocence and then put out a story about the bombing veto with that completely perfectly balanced, wonderful reporting of Jerry Ford, who supports the President, then the balance of Hubert Humphrey, Thomas Eagleton and Alan Cranston? Something like that is the most flagrant display of contempt that I can imagine. On top of that it couldn't even be accidental. We all know that the one who speaks last has the impression with the viewer. Here Jerry Ford was put on the very beginning with three liberals allowed to stomp on him so that you forgot he was even on the same story. By the way, I want to point out that it was edited and done in Washington and I want to know if our exalted News Director made



**Jack Wilson,
president of TVN**

'Why are you covering Daniel Ellsberg?'

one single complaint or exercised any of his high and mighty balance to reprimand the Washington bureau.

July 5, 1973

David Rockefeller. Nothing like this should ever be allowed on our air. Rockefeller took a communist public relations tour, the same as Ramsey Clark did in Hanoi when he reported our prisoners were all well fed, healthy, happy men. Rockefeller said the same thing here. In addition to that, the statement implies that freedom means nothing and that we as a nation are abandoning freedom for others as our goal. We are not providing this service to give voice to that kind of propaganda. By the way, if they are well fed, why is it necessary for them to buy our grain, our rice, etc.

July 9, 1973

Money. Why is it when I call for balance, 19 out of 20 times it's an attempt to get conservative balance to liberal presentations? There shouldn't even be a question mark there, the answer is so obvious that the liberal point of view is the only one represented on TVN. Try as you may to convince me that our people search for balance, I can only answer that they search for balance based on their observation of the political spectrum. On the basis of left to right, running from quarter of the hour on the clock to quarter after the hour, our people see the left as a quarter of and the right as five after. Picture the middle in there and that's the kind of news you get on TVN.

July 12, 1973

Sterilization. The American Civil Liberties Union is generally recognized as the legal arm of the extreme left if not the Communist Party in the United States. They held, as our reporter said, "A well-attended press conference" and TVN — just like everyone else — set cameras along side each other and gave them full uncontested exposure for their line. The law which they are challenging is the law of a state of this union passed by more than a majority of legislators with the backing of more than a majority of people living in the state. That being the case, and with the law on the books, how come TVN sees fit to give huge coverage to one side of the story. Let's hear from the people in North Carolina, the legislators down there or one of the hundreds of thousands who supported this kind of legislation. Let's find out why. Day after day we get one-sided stories on issues that are generally agreed on at the bar of the Press Club. If that's where decisions are made, by peer group pressure, then let's put our whole group inside and lock the door.

July 25, 1973

American Indian Political Movement (AIM). What in the world are we doing giving a platform to AIM revolutionaries. Two of them are allowed to say whatever they want in front of our microphones with no balance and no truth about any of their efforts. This nonsense goes on and on and on and on

When asked recently about these memos, Wilson said: "You have personal beliefs, but it can't have anything to do with managing the operation. You separate your beliefs from your management role. The stronger your beliefs, the more you bend over backwards to be certain they don't influence coverage." Agreed. Journalists of all kinds hold all kinds of private political and philosophical opinions that

they manage to keep out of their work — and the thinking expressed in the memos has not shown up in any observable way in the TVN news feed.

But the memos are not just idle musings. Wilson wrote them as a member of TVN's board of directors, and they propose news policies for TVN. They also seem designed to trigger action against "our autocratic professional journalists" by Joe Coors and the TVN board of directors (many of whom also got copies). The memos reveal a gap that has so far not been publicly acknowledged between the intentions of at least some of TVN's founders and the purposes of most other news organizations.

There is nothing in being against smut or being for the bombing of Cambodia that would prevent someone from doing a professional job as head of a news organization. Nor, for that matter, would there be anything wrong with a news network designed to promote conservative or any other views, if its product were clearly labeled. But Wilson reveals a lot by launching an attack on the news staff for what he sees as liberalism and lack of balance (he says "several people should be fired!") for the smut story, Dick Graf becomes "our exalted news director" with "his high and mighty balance" in the Cambodia bombing critique) while dramatically demonstrating his strong bias on the other side. And there is something in Wilson's statements that contradicts the basic idea of a news network — covering the news. It is one thing to argue that certain kinds of stories don't get balanced treatment from the networks, and to insist that an alternative independent news service provide the balance. (Although my experience has been that the networks are so heavily into balance that — as I've written elsewhere — an argument between Albert Schweitzer and Attila the Hun could come out a 50-50 toss-up.) It is quite another thing to argue that certain kinds of movements and ideas (the followers of Martin Luther King, a David Rockefeller trip to China, the American Indian Movement) should simply be KEPT OFF THE AIR. There is no balance — or journalism — in that.

Everyone is presumably against the consensus agreements sometimes reached by journalists in saloons, but there is irony in Wilson's call for balance from the people of North Carolina on the sterilization story. That kind of coverage (going into the heartland to find out What the People Really Think) is almost automatic on this kind of story for Wilson's *bête noir* — the networks. At TVN, on the other hand, ex-staffers say it was often difficult to get budget approval to send the cameras and reporters out of the bureau cities and into the countryside.

In fairness it should be noted that Wilson twice (in dozens of critiques he wrote during this period) states his concern that TVN allowed Senator Barry Goldwater to offer his views without rebuttal. In one case (a Goldwater riposte at Senator Edward M. Kennedy) Wilson questioned whether the Washington bureau tried hard enough to contact Ken-

nedy's staff or to otherwise invite a Kennedy reply. Wilson also faults TVN film editors in his memos for using close-up shots of small crowds at demonstrations, making the turnout seem large.

But such lonely examples of "balance" in the sense in which newsmen usually use that term are overpowered, for example, by Wilson's statement that Martin Luther King is "an avowed communist revolutionary," a statement that is, among other things, flatly incorrect.

Dick Graf may have gotten an inkling of bad times to come in mid-summer. Graf told associates Joe Coors had asked him: "Why are you covering Daniel Ellsberg? He's a traitor to his country."

Coors by now must have realized that he had made his decision to finance TVN on the basis of incomplete information — and that added to the tension between the news staff and management.

The original budget estimate, \$2.5 million, was ridiculously low. It left out such things as a half-million dollars for *studio facilities* — the film projectors, video tape machines and other gear needed to transmit the film packages to clients. The first newsmen hired convinced Coors that the budget had to be more than doubled — to about \$5.5 million.

But there still wasn't enough in the budget for things like the Middle East war — which meant expensive satellite transmissions every day. Graf — in the words of an ex-colleague — "spent the money anyway because there was news to be covered." By December 1973, the Coors people were asking for a 20 percent budget cutback.

All of this was aggravated by the fact that TVN wasn't selling. "They really expected the industry to break down the doors to get this service," said an ex-TVN newsmen. "Their financial projections showed they would be in the black in eighteen months."

In February 1975, TVN had been operating for about twenty months — and was nowhere near in the black. The service needs over 100 paying clients to break even; it had

about forty. One TVN source estimates the company lost several million dollars in its first year.

The people who planned TVN were sure that independent TV stations, with no access to network national and international news, would leap to the dotted line. Wrong. The planners apparently forgot to consider the hard facts of life with AT&T. There is a little AT&T device called a receive loop that brings the sound and picture of television transmission into the TV station. It costs \$2,500 per month, and the networks pay the cost for their affiliates. But most independent stations that wanted TVN's service would have to come up with the \$2,500, plus the cost of the service.

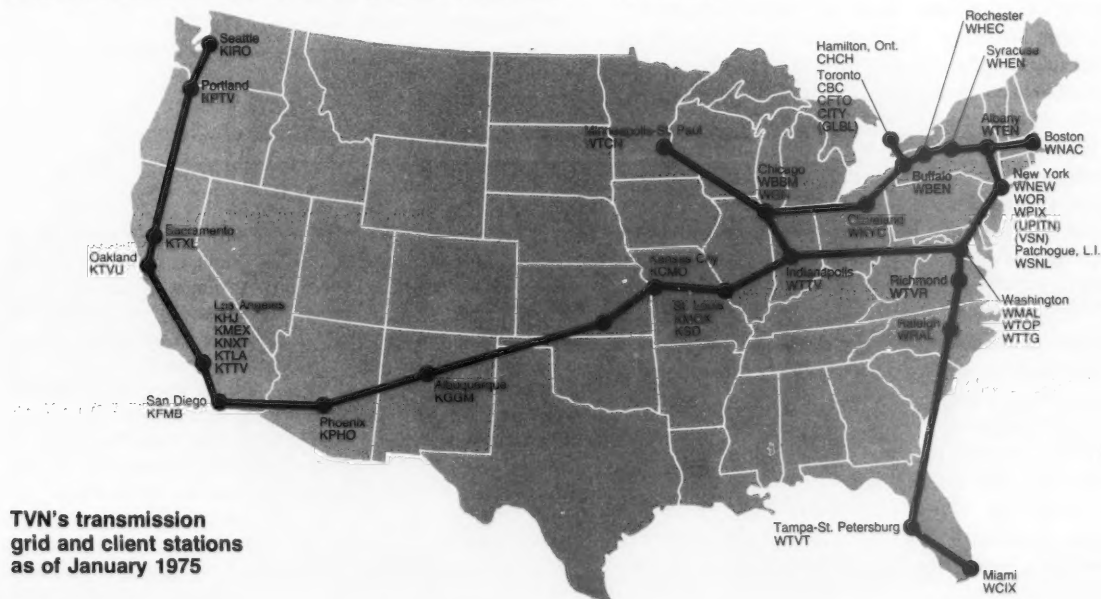
In the case of network affiliates — which already have the receive loop — there is an extra charge of approximately \$900 per month for switching the loop from the position used to receive network programming to that used to receive TVN. "I mean, you're in Little Rock," said a former TVN salesman, "and you're trying to sell the service for \$175 to \$200 a week and you're telling the client the switching cost will be more than that. It's silly."

Pressed by warfare between the news staff and management, a ballooning budget, and a disappointing sales record, the TVN board of directors met on January 22, 1974 in a mood to do some corporate head-chopping. By this time, board member Jack Wilson had been commissioned as a committee of one to fix things.

According to the minutes of that meeting, one thing Wilson proposed to fix was Dick Graf:

Mr. Wilson said that in his opinion the performance of Mr. Graf as news editor of the corporation had been sadly deficient, largely because of his inability to delegate. He said that Mr. Graf had insisted on personally handling every phase of news gathering and distributing and, since he made all decisions, had been in no position to review and evaluate the work objectively. . . . Mr. Wilson . . . recommended that Mr. Graf be dismissed from his position as Vice President-News, and suggested that the board consider as his replacement Mr. Jeffrey St. John, whose resume he presented to the meeting.

continued



TVN's transmission grid and client stations as of January 1975



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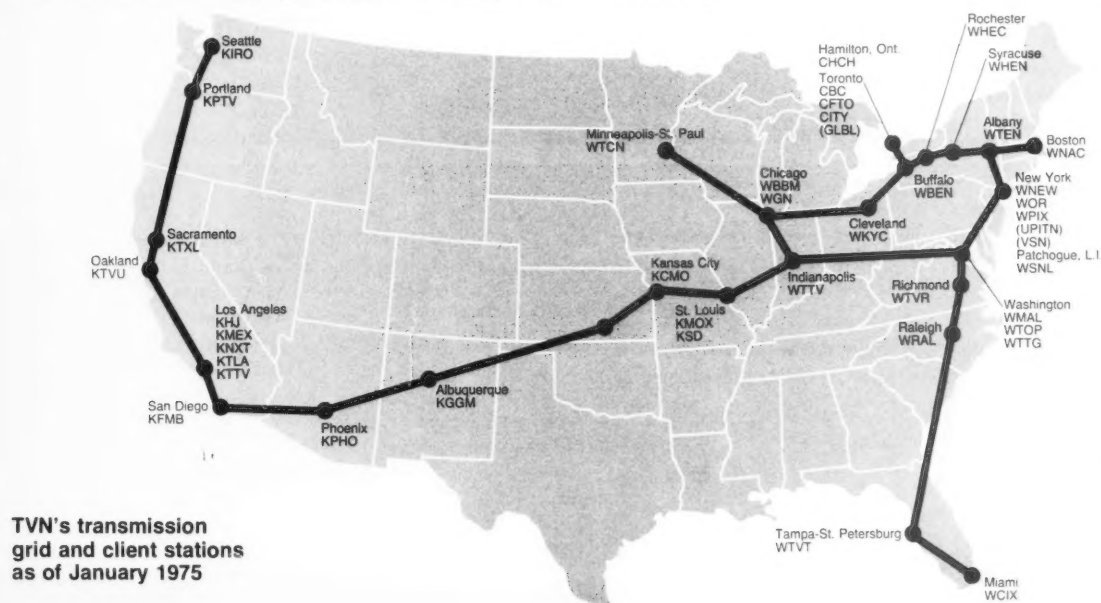
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continued



TVN's transmission grid and client stations as of January 1975

'Graf had been the buffer. When he left, the floodgates opened'

As the resumé of a man being proposed as the chief of a national news organization, it was a stunner.

Jeffrey St. John is a well-known, out-front, conservative journalist. From the spring until fall of last year, he had been half of a daily liberal/conservative team that did commentaries for the TVN service. He had had the same role for CBS's "Spectrum" and he writes a column of opinion for Copley Newspapers. The board did not appoint him news director.

At the January board meeting, Wilson had argued that Graf had to go because he could not "review and evaluate the work objectively." TVN president Gilbert, in a report to the board dated February 5, 1974, described control of the product as the issue dividing Graf and management:

Dissatisfaction with the product started at the outset of TVN going on-line. Reports were issued explaining what was wrong, policies were written, meetings were held, and still the product failed to achieve the goals of the Company. Finally in June, Graf resigned, taking the position that non-journalistic interference would ruin the company and all the professional news personnel involved. The president accepted the resignation but was, subsequently, asked by the Board to bring Graf back in the best interests of the Company. This was done; the Bureau Chiefs were satisfied; nobody resigned, and business proceeded as usual with no change in the product. There can be no question that by the News Department's 'winning' of that contest, the chance of management's control of the product was decimated.

Graf was fired on February 12 — he got the news by phone from Gilbert while vacationing in Florida. Today Wilson says Graf and others were fired because they exceeded TVN budgets while trying for network-style coverage. Gilbert's report suggests that management moved against Graf because of his fight to keep the management out of journalistic decisions and because of differences about "balance" and "objectivity." Before being fired, Graf told friends: "The assurances I got from Coors, Gilbert, and Wilson about 'playing it straight' and 'playing it down the middle' were so much bullshit."

With Graf gone, Wilson, according to ex-staffers, moved more openly to assert management control of news. He took an office at TVN headquarters.

"Wilson was president from the moment he walked in the door," said an ex-staffer. (In the minutes of the January board meeting, Wilson is instructed to tell Gilbert that the board is unhappy with Gilbert's leadership and that he won't be president much longer if things didn't get better.)

Pete Simmons, the northeast bureau chief, was appointed acting news director in February 1974. "Graf had been the buffer," said Simmons. "When he left, the floodgates opened. What I couldn't take was fighting budget problems and at the same time the constant, overpowering editorial pressure. Every day. It was an everyday thing. 'Ellsberg, why do you cover him? Why are we covering that traitor?' Watergate was a constant battle. They thought the coverage

was unbalanced. There was constant pressure to leave the Hearst story because of expense."

Simmons quotes Wilson as saying. "We're not getting the proper message in the news." He adds that, when challenged, Wilson would change "message" to "balance."

Now, instead of writing private memos to Joe Coors, Wilson was talking directly to the staff.

"Every time Wilson came up with an idea, it was battered down," said Brian MacFarlane, former features editor for TVN, describing the state of almost continuous conflict between Wilson and the staff.

"The staff thought it was ideological, but it was cultural," said Jeffrey St. John. "Westerners are different from easterners. An executive just doesn't walk into an eastern newsroom and give them the old pep talk — 'win this one for the Gipper.' But that's what Wilson did. And the staff said 'This is a bunch of shit.' But this doesn't mean that Wilson is evil — just square."

Wilson, the outsider, began to bring in other outsiders. He asked a conservative newspaperman named Frank van der Linden to do stories for TVN from Washington. According to a Washington staffer, Bureau Chief Bob Frye asked Wilson to label van der Linden's stories as "commentary," but Wilson refused. Van der Linden did two stories. Simmons screened them and, supported by other TVN staffers, decided they were not worth putting on the air. After an argument with Wilson, the stories were killed.

In April 1974, Wilson appointed Jeffrey St. John as a consultant. Simmons, who felt this was a step towards mixing politics in the news operation, resigned. "We were always looked on as the enemy," said Simmons. "They hired professional newspeople to get the operation going. But Coors never wanted a news organization. His people wanted a propaganda machine. Wilson understood the rules of the game from the beginning. We didn't."

Wilson was appointed president of TVN on June 1, 1974.

To: Joe Coors

Bob Pauley

From: Jack Wilson June 27, 1973

Subject: Critique of Daily News Feed

... Over the first month, when it looked as though we would be able to make some input into TVN's Washington bureau, my full attention was focused on developing stories. A specific count shows that of 40 I recommended, 35 eventually became items of some note in the press. Any one of those 35 stories could have appeared on our service first. Instead they were in most cases not covered at all, and in some cases looked at when they finally hit the front page of *The Washington Post*. That is typical of the way Washington newspeople work. If it is in the *New York Times* or the *Washington Post* then we had better get a crew out and do something with it. As a result we are just like all the others.

With this comment I am not suggesting change now, but I am merely reiterating my view that if this service is to be the force which we expected, there must be at the appropriate time a

Washington News Bureau geared to think in the direction of difference as we have outlined in the past.

The "appropriate time" for a change in TVN's Washington operations turned out to be two days after Wilson became president of TVN. On June 3, Washington bureau chief Bob Frye — the man who said "no" to all those Wilson story suggestions in the spring of 1973 — found out why Bill Kling, an ex-*Chicago Tribune* reporter with no television experience, had been hanging around the TVN operation for a few weeks. Kling was in as Washington bureau chief and Frye was out; at the same time, Wilson hired three new reporters.

Since leaving the *Tribune*, Bill Kling had worked as an administrative assistant to a Republican congressman and for the American Security Council — whose better-known members have included Edward Teller and General Curtis LeMay; the group advocates a strong military posture based on a nuclear capability.

Wilson now had a bureau chief he could work with. Frank van der Linden's interviews began to appear on the TVN Washington lineup. "Van der Linden was a business office must," recalled a former TVN news director. "He was not on the staff, but he went on the feed."

* * * *

The Problem. . .

Institutions such as the Ford Foundation and the Brookings Institute have had a disproportionate influence upon policy decisions at the Federal level and that influence has been consistently liberal-socialist in its viewpoint. Drawing the bulk of the funding from the corporate giants of industry, this has been a case of the viper of socialism in the bosom of the free enterprise system. . .

The Goal:

The Heritage Foundation seeks to fill the need for in-depth research and long range issue projection in behalf of traditional values. It seeks to make such research and projection available to the public at large and to target such research and projection to requests from Members of Congress who struggle to cope with the initiatives of the liberal-socialist 'think tanks.' . . . The Heritage

Foundation pledges the pursuit and dissemination of truth as it is embodied in the Constitution of the United States and the free market economic principles on which that Constitution is predicated.

— from the 1974 Prospectus of The Heritage Foundation
Washington, D.C.

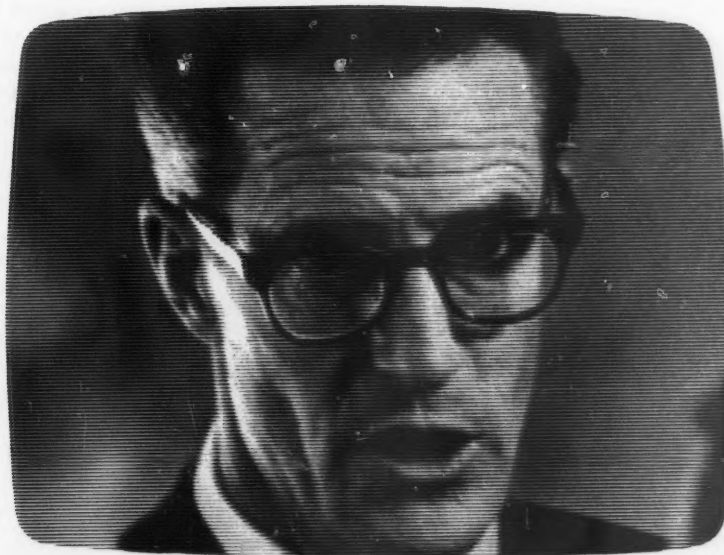
Joe Coors is a backer of the Heritage Foundation. It was established in early 1973, at approximately the time Coors was founding TVN.

Jack Wilson is a trustee of the Heritage Foundation, and there are some indications of other ties between the foundation and TVN:

□ Ex-staffers say at least three applicants for key TVN editorial jobs were jointly interviewed by Jack Wilson and by a member of the Heritage Foundation advisory board, John McCarty. McCarty is also on the board of the American Conservative Union. "It was a political litmus test," said Tom Turley, a former CBS assignment editor who became TVN's third news director in June 1974. Says Wilson: "I went to McCarty as a friend." Turley, who had a similar interview with consultant Jeffrey St. John, adds: "I think they were fooled by the fact that I used to work for the New York *Herald Tribune*."

□ The Heritage Foundation's first president, Paul Weyrich, is now an assistant to Senator Carl Curtis. Wilson describes Weyrich as a friend with whom he consults, and some Washington staffers felt that Weyrich — because of his connection to Coors and Wilson — had considerable influence at TVN. At a Curtis news conference held last November, Weyrich produced a three-by-five index card listing questions he wanted asked and handed them to a TVN reporter, who then asked the questions.

The point is clear: at the networks and most other news organizations, it is a matter of pride and policy to insulate editorial decisions about hiring and coverage from the influence of politicians, partisans — from any outside influence. This tradition does not seem to be as strong at TVN. And the ideas reflected in Wilson's memos about the



Joseph Coors,
major backer of TVN

kind of news service TVN should provide coincide nicely with the pledge by the Heritage Foundation to promote "traditional values" and "free market economic principles":

To: Joe Coors
Bob Pauley
From: Jack Wilson
Subject: Critique of Daily News Feed
Reminder of two things:

* I am looking at only the philosophical point of view.
** "Give me the reporters and you can have the publishers."

June 6 [1973]

Green Thumb Work Project. Had a good message showing that man receives dignity from his own personal work. More stories like that are what we need.

June 7

Elderly. This matter of the elderly is obviously a problem, but why was only Hubert Humphrey given a chance to voice his socialist viewpoints on food stamps, housing, medical care and the provision of federal funds. This was a chance to damn those who made it the welfare state that it is today.

June 14

Farmer's Reaction to Price Control. It was a perfect place to hit the Russian Grain Deal and promote the free enterprise system.

July 6

Athletes for Christ. Sports story. Refreshing to hear something positive about God and country. Can't recall any other such story.

One year after writing these memos, Wilson still apparently saw TVN as a news service with a mission: "I hate Dan Rather," former news director Tom Turley quotes Wilson as saying. "I hate all those network people. They're destroying the country. We have to unify the country. TVN is the moral cement." (Wilson says he doesn't recall discussing Dan Rather with Turley, but that he has often described TVN as "moral and spiritual cement.") Turley also recalls that John Sullivan, Wilson's assistant, told TVN reporters on several occasions: "The way that we can be different from the networks is to put a message in our stories."

In January, Wilson told me: "I'm not in it for philosophical reasons. Whenever I go to the baseball game, I cheer for one team or the other. But when it comes time to reporting the score, I'd better tell you it was four to three or whatever it was. I can't make up a score because I wanted a particular team to win. If we showed bias to one side or the other, we'd find out about it from our affiliates. They would drop us in a hurry, in a big hurry, if they felt they were getting a slant."

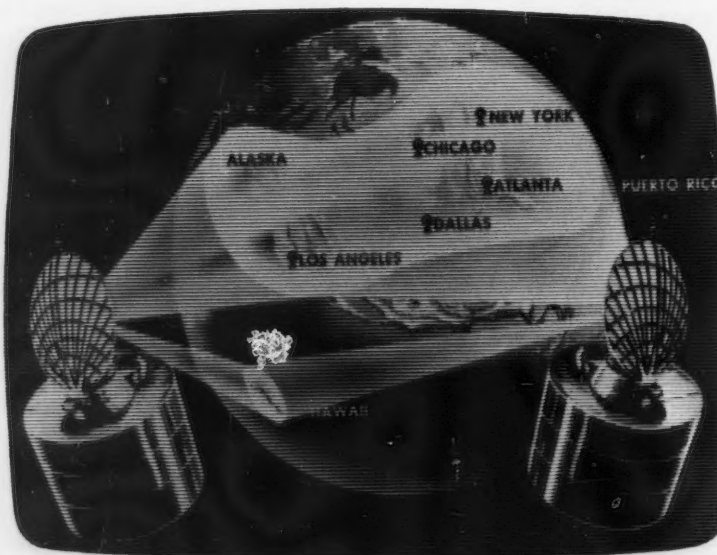
Indeed they would. Stories carried in the TVN news feed do not have a recognizable slant. But behind the scenes, some of the changes Wilson sought in his 1973 memos can be seen. In the memos, Wilson urged that some dissenters (The Southern Christian Leadership Conference, protesting Indians) be kept off the air. Recently, former TVN Washington reporter Carolyn Lewis recalled an incident that occurred in 1974: "I did a piece with Ralph Nader," she said. "And I was told 'We don't want Ralph Nader on our air.'"

Also in the memos, Wilson faulted the way professional newsmen handled the news. And on some stories in 1974, he apparently went over or around his news staff. "Wilson took on the role of news director in many ways," said Tom Turley. But, in a conversation with me, Wilson denied that he sought to influence news content. He added: "When I took on a management position, we had only twelve subscribers — content was the last of my worries."

News Director Turley says he didn't know Jeffrey St. John had been assigned to do a series on Nelson Rockefeller — until the series had been completed. According to Turley, St. John came to him with the scripts and said: "Read it, we're going to carry a five-part series on Rockefeller." Turley says Wilson ordered him to run it — and later to repeat four parts — despite Turley's view, expressed in a memo to St. John, that the series was "an out-and-out hatchet job." Wilson, in a recent interview, denied having given Turley any order: "If Turley couldn't handle St. John, that's his problem. He was the news director."

Turley, however, says his recollection of the incident is

Artist's rendering
of TVN's satellite
transmission proposal



quite specific. He quotes Wilson as saying: "I want that series run — and that's an order."

Also, according to Turley, Wilson last August ordered a special St. John interview with Ronald Reagan (a former TVN Washington staffer quotes St. John as saying, "The company didn't trust anyone else to do it"). It was filmed in Baltimore on a Saturday, which meant overtime for the camera crew. "The Reagan thing was really strange," said Patti O'Dwyer, formerly TVN business manager in Washington. "To hold costs down," she added, "we used to desperately try not to do things on weekends."

When Turley went to work the following Monday, he says he found excerpts had been carried by TVN on Saturday and Sunday — and that Wilson wanted two more segments run. Turley, who says he thought the Reagan material to have been worth a single two-minute news spot, says he persuaded Wilson and St. John to settle for one more installment. (Two weeks later, Wilson ordered another special interview with Reagan on the subject of food stamps — and wrote the questions himself. Turley says Wilson asked that another series be made of this material, but he refused.)

Finally, Wilson had talked in the memos about what he saw as the need to get rid of many members of the news staff. Now, as Turley tells it: "He was always preaching at me to fire large numbers of people. Even before I was hired Wilson said to me, 'I wouldn't mind if you cleaned out the entire New York operation.'" (In one bizarre episode, Wilson wanted to fire members of the TVN Washington bureau after a party. The party was for Bob Frye, the Washington bureau chief previously fired by Wilson. Two employees whom Wilson had hired were not invited. "Imagine that," Turley quotes Wilson as saying. "These people are drawing Coors salaries, and they show that kind of loyalty. I want them out. Clean out the whole bureau." Turley refused.)

On September 13, 1974, while Turley was attending a news broadcaster convention in Montreal, Wilson made a major move. A TVN staffer called Turley to tell him that Wilson had fired the executive producer of the news feed, the national assignment editor, the national features editor, the Washington assignment editor, the Los Angeles bureau chief, the Los Angeles assignment editor, two reporters, a two-man film crew, two film editors, a bureau business manager, a production assistant, and a secretary. (Wilson had fired TVN's chief of production and his assistant ten days earlier.)

"I inherited a mess," Wilson said recently, when asked about the firings. "Financially we had not turned the corner in sales, but we were still spending money like we were a network. There were a lot of good people who had been with the network, and the way they had learned to produce news was too expensive. Some of the people, because I had come from Coors, thought that we were indeed going to try to influence the news. There was a resistance. They had been doing things one way economically and in reporting and I felt there had to be some changes made. It was my responsibility to see if we could make this a viable company that could last."

The cutbacks meant that TVN had — and still has — only two reporters and two staff cameramen west of the Hudson — one of each in Chicago and Los Angeles. There is no southern bureau. TVN relies on stringers and local stations for a lot of its stories. Even when local station coverage is mediocre, it costs TVN only about \$125 a story.

Said Tom Turley of the firings: "We had a skeleton staff and now he started to dismantle the skeleton."

* * * *

To: Joe Coors

From: Jack Wilson

Subject: Critique of Daily News Feed

July, 24 1973

Pollution. The Environmental Protection Agency again raises the spectre of deadly pollution. Our typical journalist is putting the government on a pedestal. This is not automatic truism because it is said by a government agency. The more I see our views, the more I recognize our mistake in thinking we had to have people with journalist experience. All they could bring to us was the typical way of doing things which has destroyed believability in the news media.

Of course, there is no single formula for the making of a journalist: doctors, baseball and football players, professors, lawyers, CIA men, factory workers, mayors, and policemen have all moved into the news business. And the unquestioned acceptance of government handouts has been widely criticized — especially by journalists. It takes money and time to go beyond handout reporting, however. And it takes staff. Wilson had fired fifteen staffers on September 13, 1974. On October 17, he fired Tom Turley.

The firing followed a heated argument over Turley's decision not to cover Ed Sullivan's funeral (TVN had aired a story when Sullivan died). The argument nearly turned into a fistfight. Turley's shirt was ripped in the confrontation; before Turley left the TVN office, Wilson apologized and handed him ten dollars for a new one.

* * * *

The only man in history ever to run a national news organization while owning an entertainment industry consulting firm leaned back in his executive swivel chair and declared: "No matter what has gone on here in the past two years, I'm not responsible."

As TVN's newest news director, Wilson had appointed a non-journalist — Roger Ailes.

Before becoming news director, Ailes had offered public-relations advice to TVN. He says that, while retaining ownership of the management consulting company (Roger Ailes & Associates), he has turned its operation over to subordinates. Ailes is a Success Story. Starting as a prop boy on the *Mike Douglas Show*, he became executive producer after three years. Then (at twenty-eight) it was on to produce television programs for Richard Nixon in 1968. (Remember those "confrontations" between Nixon and those super-carefully-selected, super-delicately-balanced panels of citizens? That was Ailes.)

Ailes's consulting firm has handled Republican candi-

'The Coors people trust Ailes because he's not a newsman'

dates for governor and U.S. senator; he has presided over a school for candidates featuring videotape playback instruction in the art of appearing on the tube. Ailes says his company no longer handles politicians, but it does handle singers. *Hot I Baltimore*, an off-Broadway smash, now a TV series, was co-produced by Ailes. He is producer of an African wildlife TV series starring Robert Kennedy, Jr.

In his few months with TVN to date, Ailes's outside interests have resulted in one case of an apparent conflict of interest. On January 17, a TVN story on recession in the record industry began with this narration (over a picture of a female singer): "The girl's name is Kelly Garrett. She's been called the best new singer of 1974 . . . She's making a record at a time when few records are being made . . ."

Kelly Garrett is managed by Roger Ailes & Associates. Ailes says he felt it was legitimate for TVN to do the story, because Wilson had agreed to do a feature on Garrett *before* Ailes became news director. "There is definitely a question in some people's minds about conflict of interest," he said. "I take full responsibility. It may have been a bum decision — but I made it."

Ailes and his predecessors have been in a bind because TVN sells only news to its clients. News executives at the networks don't have to worry so much about sales, because the networks also make money on Mary Tyler Moore and Marcus Welby. But Ailes is not nearly so insulated from the business side, and perhaps for that reason, tends to describe news as a kind of salami, to be cut up and sold.

"I want to find out what they want and give them what they want," he told me. Ailes talks of shortening further the minute-and-a-half stories that TVN usually feeds. This might attract stations that use the currently fashionable "action-news" formats — many short-short film clips that help a newscast look like Top Forty AM radio sounds. Ailes also discusses the possibility of longer, in-depth TVN stories, but he talks about editing them so that local stations can cut out at several different points. This is theoretically possible, but worrisome; most good TV take-outs have a beginning, middle, and end; I have seen many edits made by local stations of network film pieces, and they are frequently disastrous.

"How do you make a news director out of a Roger Ailes?" asked one TVN client, referring to Ailes's lack of news background. Ailes responds: "I've never run a newsroom, but I've been around them. And 90 percent of what you do in any job is common sense."

On balance, Ailes may well be good for TVN. He is smart, tough, and nothing if not aggressive. One client news director recalls that, after the verdict in the Watergate cover-up trial, Ailes took the unusual step of ordering a special feed to give clients a late report from Washington.

Ailes says Jack Wilson assured him of freedom to hire, fire, and program the TVN feed as he sees fit. Does he believe he must "balance" the bias of the networks? "One thing is sure, the networks are not biased to the right," he says. "But I'm not trying to compete with the networks.

I'm not trying to stay right of the networks. I'm not going to worry about the networks."

A while later, Ailes can't resist: "Brando gives land to the Indians. If that had been the president of General Motors, the press would have been all over him, talking about tax write-offs and PR stunts. But Brando wasn't asked about that. If you're gonna ask the president of GM, then ask Brando. If that's a right-wing news network, then so be it."

One TVN staffer who thinks Ailes will improve the operation offers this ironic note of hope: "The Coors people trust Ailes because of his affiliation with the Republicans, and because he's not a newsman. They don't trust newsmen."

On January 9, TVN held a news conference to announce it was seeking to move ahead of the rest of the industry by becoming the first broadcast news agency to transmit by domestic satellite. For the first time, according to the plan, the nation will have a news network largely independent of AT&T audio-video transmission lines.

TVN says it is budgeting ten to twelve million dollars to build a network of satellite ground stations around the country. These mechanisms would enable TVN clients to receive material sent by satellite. "It's a brand new world. The economics of broadcast journalism have changed, but nobody knows it," says Reese Schonfeld, TVN's vice-president in charge of operations. "This makes the business economically feasible for the first time. TVN was two years early getting started."

Although rates for the satellite (TVN will probably use "Westar," owned by Western Union) have yet to be set by the FCC, it appears they will be *much* cheaper than AT&T rates. This can lead to improvements in news coverage. TVN seldom "switches" to the West Coast for a story — because it costs around \$2,500 in transmission charges. Schonfeld expects that — with the satellite — TV news agencies will be able to get four transmissions from the West Coast for what one now costs.

One of TVN's big selling points is that a ground station (TVN would lease them to its clients) would give a local TV operation some degree of independence from the networks — making possible all sorts of non-network programming that is not feasible now because of AT&T transmission costs. "The affiliates are getting independent," says Roger Ailes, "and they'll be getting more independent as we offer them options." One option may be a complete TVN news program, including an anchorperson, instead of the current collection of film stories. TVN recently hired Bruce Herschensohn, film producer and former Nixon aide, to explore the idea.

All of this, of course, smacks of the possibility of the long-awaited fourth network. But TVN will have to offer an assortment of non-news programming to make its satellite operation attractive to potential client stations. There remains a variety of technical questions about the feasibility of the plan. Nor is it clear that TVN will be able to persuade enough stations to lease ground stations to form a commer-

cially viable network — one that will cover enough of the country to encourage other independent packagers of entertainment and sports shows to distribute on the TVN system.

Jack Wilson thinks the lure of satellite programming will attract dozens of new stations to the TVN news service. For example, stations that want baseball:

"Take the Atlanta Braves," says Wilson, "They've asked us if we can get thirty-one ground stations in by the start of the baseball season. Do you see what that means? You save all those [AT&T] long lines to get all those stations in the South. It goes up to the satellite and then down to all of them at no extra cost. That's why I feel this is going to be a major breakthrough."

TVN wants to start satellite operations by July 1. But first there will have to be a finding by the FCC that the building of the ground stations by TVN is "in the public interest."

"We're going to make it," said Jack Wilson, smiling broadly and punching his fist into his palm. "We're going to survive."

I hope that TVN does survive. The network way of doing news is not — and should not be — the only way. But I also hope that Wilson and Coors will either refrain from putting partisan pressure on the news staff, or more openly acknowledge what seem to be their special goals. For the present, the news service should be watched carefully

TVN's offices are on the twenty-first floor of a skyscraper in midtown Manhattan. One day last year, Wilson pointed out a window toward the Hudson River and, according to then-news director Tom Turley, Wilson told him:

"I'm not sure you understand our philosophy. Do you see that tugboat out there? Did you ever see the way a tugboat turns an ocean liner around? It doesn't do it in one swift motion. It pushes and nudges the liner slowly. That's the way we want to put our philosophy in the news: gradually, subtly, slowly. It must be subtle."

* * * *

There are a few things that need to be underscored. What is of concern here is not that TVN is independent, an alterna-

tive to the networks. Additional outlets for news serve the public. Also, it may be a good thing to have more television stories with a point of view (although candor requires that stories which express preconceived conclusions should be appropriately labeled).

One cause for concern is TVN's past treatment of news staffers who apparently were pressured to reflect a social philosophy. To their professional credit, most of them resisted; some lost their jobs. It was unrealistic, if not unfair, for TVN to expect journalists, trained in a different tradition, to adopt a partisan message (or, if you prefer, a special notion of "balance").

But there may also be reason to be concerned about TVN's performance in the future. News director Ailes says he wants a non-partisan news service. Perhaps he, like his predecessors, will resist any pressure to the contrary. Or perhaps the pressure will cease.

But will it? The record indicates that it has been management policy to strengthen, not weaken, the role of Wilson (and therefore, one assumes, Coors) while diminishing the role of independent journalists.

It should be acknowledged here that TVN's management gave me much time, and granted me access to its file of news scripts. As stated previously, the scripts have no discernible slant. But candor is not suggested by the documents quoted above, by the experiences of TVN's first three news directors, or by Wilson's image of TVN as a tugboat "gradually, subtly, slowly" nudging philosophy into the news.

I recently asked Jack Wilson if he remembered using that image. He said: "It sounds like something I've said many times. But you have to ask yourself, what is the meaning of 'our philosophy'? Our philosophy of news, as I've always stated, is accurate, honest, informative news."

Then, I asked, why must it be injected *subtly*? He said: "If we were to project something different than what you see today — news today is the mean — if we were to project what we mean by 'accurate' and 'informative' and 'honest' in the news, we might make waves." ■



TVN News Director
Roger Ailes

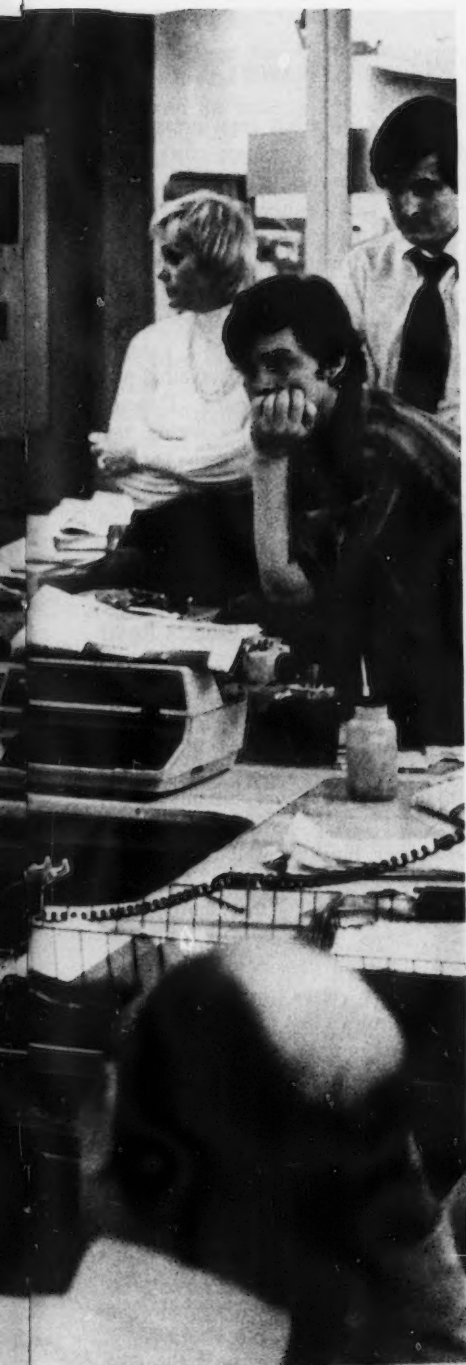
The second battle



Chuck McGowen

This was the scene in the Wilmington News-Journal newsroom last January 2 as executive editor John G. Craig, Jr.

of Wilmington



announced his own resignation and those of other staffers in a reorganization dispute with management.

Both sides claim victory in the latest struggle at the du Pont-controlled papers

by PHILIP M. BOFFEY

At first it looked like the familiar, depressing scenario at the du Pont-owned newspapers of Wilmington, Delaware. The two papers — *The Morning News* and the *Evening Journal* (combined circulation: 139,000) — have long been suspected of being house organs of both the du Pont family, which owns them through a holding company, and the giant chemical firm, E.I. du Pont de Nemours & Company, the dominant business enterprise in Delaware. Just over a decade ago the subservience of the papers was underlined when a fiercely independent executive editor was driven to resign because a Du Pont Company public-relations specialist was installed over him to give the owners better control of the flow of news (see "Wilmington's 'Independent' Newspapers," *CJR*, Summer, 1964). That cloud over the paper's reputation was not dispelled until after the public-relations official died in 1970 and leadership of the papers passed to younger editors who delighted in publishing hard-hitting stories that challenged company and family interests (see "The Temporarily (?) Independent Papers of Wilmington," *CJR*, July/August, 1973).

But the durability of the papers' editorial independence was always in doubt. So when a major conflict between the editors and the board of directors broke into public view in December of last year, it was widely assumed that

the board had gotten riled and was once again cracking down on its wayward editorial employees. If that was the board's intention — and there is some reason to doubt that editorial control was really the crux of the dispute — the board quickly backed down. As the national media moved in, and a camera crew from CBS News's *60 Minutes* program prepared to film the controversy, the board reached out to the bullpen at Columbia University's Graduate School of Journalism to draw Norman E. Isaacs, sixty-six, former executive editor and vice-president of the *Louisville Courier-Journal* and *Louisville Times*, away from his academic post to serve as the new top executive of the Wilmington papers, with the authority to run the operation as he sees fit. It was a stunning public-relations coup that left both sides claiming victory.

So what was the fight all about? In large part, it was a struggle between two strong-willed men — David H. Dawson, sixty-six, chairman of the *News-Journal* board, and John G. Craig, Jr., forty-one, until recently executive editor of the two papers, with *de facto* responsibility for the entire news and editorial operation. The struggle centered on financial and management issues but spread to editorial policy as well. In many ways it was a classic battle between a board chairman concerned primarily with costs and an editor concerned primarily with quality.

Ironically, Dawson was brought into the field of battle through initiatives

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Chuck McGowen

'It's possible to make too good a newspaper'

David H. Dawson, chairman of the *News-Journal* board of directors

taken by the newspaper executives themselves in an effort to rescue the papers from a curious managerial limbo that was paralyzing decision-making. The papers are currently owned by Christiana Securities Company, a du Pont family holding company, but ownership will next pass to the Du Pont Company as the result of a pending merger between Christiana and Du Pont. The company in turn has pledged to sell the papers to a "responsible" buyer after the merger is complete. In the interim, however, key executives report that the lame-duck Christiana-dominated board of the newspapers found it difficult to make major decisions. To solve the problem, the executives, led by Richard P. Sanger, then president and editor-in-chief, sought help from the Du Pont Company, their owner-to-be, and Du Pont obligingly dispatched Dawson, a senior vice-president nearing retirement, to become chairman of the *News-Journal* board in January 1973.

In short order Dawson, a chemical engineer who knew almost nothing about the newspaper business, found himself in perpetual conflict with Craig. According to key principals in the dispute, the *News-Journal* board has never had great confidence in Sanger or Craig, so Dawson felt no qualms about poking deeply into the operations of the newspapers to make certain executives were performing effectively.

His first major concern was to reverse a trend toward lower profits, in order to improve the company's chances of being sold for a good price. *News-Journal* earnings had fallen from a high of 7.9 percent of revenues in 1965, to only 3.4 percent of revenues in 1971 (most of that decline had occurred before the Sanger-Craig team took command in 1970), and they have remained low since then. With that kind of record, Du Pont may be hard pressed to recoup the \$24.26 million it has agreed to pay

Christiana for the papers as part of the merger.

Thus Dawson put great pressure on the executives to reduce costs in all major departments, particularly on the editorial side. Sanger and Craig had previously sought to spend at least 15 percent of revenues on the editorial department, but Dawson and the board wanted this cut to 12.5 percent, a figure recommended by Vincent Manno, a newspaper broker hired as a consultant by the board. Dawson justified the cutback by noting that another consultant, hired by the Du Pont Company, Edward W. Barrett, former dean of Columbia's Graduate School of Journalism, concluded that the *News-Journal* already had a "good" editorial product with "a scale of operations that verges upon being a lovely luxury on a newspaper of this size." Craig agreed some cuts were necessary, but there were constant battles over how much and how fast. "It's possible to make too good a newspaper," Dawson told CJR after the dispute became public. "I'm not saying we have too good a newspaper, but it's possible."

The arguments that started over costs soon spread to what Dawson considered "slanted" or "negative" news coverage, by which he meant stories that fomented needless controversy or reflected badly on institutions he felt were doing a good job. Dawson complained specifically about stories that spotlighted tax reductions for Du Pont Company and du Pont family properties, revealed a Du Pont Company pension plan before the company wanted it revealed, and contained quotes critical of a high Du Pont Company official. He was also upset at items that variously poked fun at a society ball, hinted that teenagers in the area fornicated on junior prom night, and quoted a white fire chief who objected to giving mouth-to-mouth resuscitation to

"big nigger lips." Last November Dawson even ordered the editors not to increase the amount of "investigative reporting" or "reflective reporting."

Dawson's complaints were almost all registered after the items had appeared. In only two cases was he shown potentially sensitive stories before publication and both were printed, although one, which the editors considered of marginal merit, was reworded slightly. Even Du Pont's chief editorial consultant, Barrett, who reviewed the handling of seven "trouble stories," found little merit in Dawson's objections.

The constant battling left both Dawson and Craig in truculent moods when the final blow-up occurred late last year. It was touched off by a scheme devised by Craig for reorganizing the news staff and reducing its size. The board had repeatedly pressured the news executives to cut personnel "beyond normal attrition." But when Dawson saw the plan worked out by Craig and his assistants, he balked. The plan called for demoting, retiring, or terminating several employees of long service (including some Dawson is said to have admired) while elevating younger newcomers to key editorial posts (including some who had written stories Dawson had criticized). Dawson immediately forbade any terminations except for cases of documented incompetence — a retreat from the board's previous directives to cut beyond normal attrition. The board also then blocked the reorganization scheme and proposed a three-month review by outside journalists before deciding whether it should be put into effect. It also stripped Craig of his delegated authority to hire and fire and to make such organizational changes. Dawson says he primarily opposed the reorganization because it proliferated costly supervisory posts, a charge the editors deny. But Dawson also objected to the people Craig was promoting. He says he was worried about promoting young,

inexperienced personnel, with little demonstrated commitment to Wilmington, to influential editorial posts. Craig retorts that he was picking the best men to run the news operation.

The board's action touched off an immediate furor inside and outside the papers. Craig, disappointed at the implied vote of no confidence and angry at the delay-and-study tactics, resigned; his newly promoted associate editor also quit; two other editors scheduled for promotion were fired (some board members claim they asked to be fired; they deny it); three other reporters and editors resigned though two retracted their resignations; sixty-four staffers signed petitions protesting the board's interference in the newsroom (eleven signed a counterstatement supporting the board); the governor of Delaware called for a citizens' committee to "preserve the intellectual and journalistic integrity of the *News-Journal* papers"; and various citizen groups held protest meetings or bombarded the board with complaints. Sanger, the only board member who backed the editors in the reorganization struggle, called the resignations and firings "a goddamn disaster."

As the outcry mounted, the board and the owners-to-be ducked for cover. Dawson backed out of a speaking engagement which was to have been televised; the Du Pont Company sent out a press kit asserting that it had not and did not wish to intervene in the editorial processes of the newspaper; and the board made no effort to halt the massive front-page coverage the *News-Journal* papers gave to their own internal battles, thus providing evidence that editorial control did, in fact, remain largely in the hands of the editors and reporters rather than with the owners.

Finally, in an effort to still the controversy and get the seasoned managerial talent desired by the board, Dawson,

with the help of his consultant, Barrett, contacted Isaacs on January 13. Seven days later the board announced that Isaacs had been appointed the new president and publisher of the papers, while Sanger had been demoted from president and editor-in-chief to editor. Oddly enough, although the board had claimed to be concerned primarily with economics, Isaacs is known chiefly for his editorial accomplishments, not his business achievements.

In order to snare Isaacs, the board yielded him considerably more power than his predecessors enjoyed. "The board has delegated to me complete power," Isaacs was quoted as saying. "I only have to report back to them information about the economic health of the properties." Although Dawson, after the blow-up, had ordered the previous editors to inform him in advance of any "controversial" stories slated for publication, no such demand has been made of Isaacs. In a symbolically significant move, Dawson's name and that of another board member have even been removed from the masthead. The board also pledged to expand its membership to include professional journalists, a move insisted upon by Isaacs and long sought by some of the other editors, and it is in the process of adding "community" representatives. Meanwhile, a citizens' group which was formed to protest the board's "interference" in the papers has been asked by Isaacs to organize a press council to monitor the papers' performance.

Thus, the ironic result of the board's collision with Craig is that the papers, although they have lost some top editorial talent, are apt to be more independent and more publicly accountable, at least in the short run, than ever before. Their long-term future, of course, will rest with the "responsible" buyer ultimately accepted by the Du Pont Company, a choice that will presumably be influenced by Isaacs and Barrett. ■

READER'S FORUM

The mishmash report

An immodest proposal on how to put meaning into network news

Much more than concern for sponsors and self-restraint by journalists prevents television news from performing its presumed mission of enlightenment. Nor does it really matter much whether Howard K. Smith and the other anchormen are radicals, reactionaries, or vegetarians. It is the format adopted by television news that makes coherent understanding of contemporary events almost impossible. Whether focused on an isolated event or on a long-unfolding sequence, television reportage, by emphasizing the moment or event or personality, obscures causes and effects, and fragments information to the point of incomprehensibility.

The cumulative effect of more than a decade's daily reporting of the Vietnam war was to obfuscate rather than to clarify what the war was about. Thousands of daily snippets about the Saigon black market, or prostitution, or Operation Rolling Thunder, or Marshall Ky, or gunships, or refugees, simultaneously numbed viewers and effectively disconnected the tortured century of colonialism and revolution in Vietnam from its historical reality.

Virtually any news subject is similarly reducible to meaninglessness. Inflation. The Middle East. Racial strife. The energy crisis. Urban decay. The explanation of the "energy crisis" has been hopelessly obscured by "balanced reporting." The decay of American cities is still not understood in terms

of historical perspective; once Newark and Watts stopped burning, television journalism lost interest. The nightly offerings of small slivers of existence do not add up to any concrete whole. Nor are the networks bold enough to attempt to provide one.

Watch the jumbled news atoms any night on any network. Here is a typical example of what you'll see:

CBS Evening News with Walter Cronkite
Monday, November 25, 1974

- 7:00 Sign-on; Watergate cover-up trial developments
- 7:02 Court-appointed physicians in California to see Mr. Nixon
- 7:03 John Connally's indictment
- 7:04 COMMERCIALS
- 7:05 London bombings and Anti-IRA developments
- 7:06 Secretary-General Waldheim in Damascus; Tunis hijacking
- 7:08 Secretary Kissinger in China; Christiaan Barnard operation; U Thant obit
- 7:09 COMMERCIALS
- 7:10 Sugar price increase hearings (three viewpoints)
- 7:12 Symbolic subsistence meal at Washington luncheon on world famine
- 7:14 Vatican on abortion; Supreme Court ruling on Mexican labor; Henry Ford on recession; Justice Department attacks publishing monopolies
- 7:15 Wall Street news
- 7:16 COMMERCIALS
- 7:17 Mrs. Rockefeller's operation
- 7:18 Judiciary Committee Hearings; Federal Energy Administrator named
- 7:19 San Antonio suicide and Bell Company scandal allegations
- 7:21 General Brown's public apology
- 7:22 COMMERCIALS
- 7:23 U.S. Army racial trouble in Germany; U.S. Naval force in Persian Gulf; Mr. Ford to brief congressional leaders on summit

7:24 Eric Sevareid on Ford-Brezhnev summit

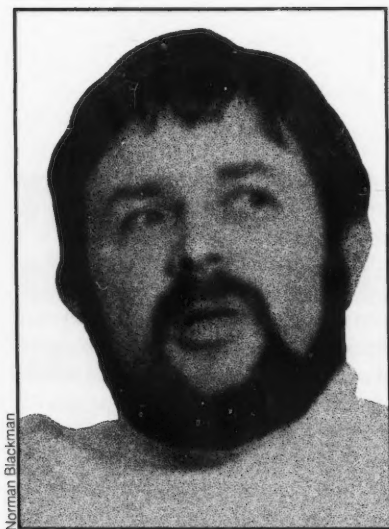
7:27 Sign-off

The random mishmash of stories has no coherence. No connections are established to suggest inner relationships or attachments to the social structure. Power—its locations, interactions, rationales, effects—is rarely glimpsed. Finally, what is implicitly projected is the liberal corporate consensus in the guise of responsible criticism, balanced data, ambiguous conclusions—all nicely produced and wrapped, instantly disposable.

Like my stereotypical comrade, the impractical professor, I of course know what can be done to make television news useful. Before the grand design, a few new ground rules:

- ☐ The possible displeasure of corporate executives will no longer affect the choice of what goes on the air.
- ☐ The three major networks will each continue their thirty-minute national news programs each evening, but they will no longer be broadcast simultaneously. They will appear consecutively at, say, 6:30, 7:00, and 7:30 P.M. (the present foolish competitiveness needs to cease — unless, of course, the selling of products is of overriding concern).
- ☐ Three basic divisions will be used, with each of the networks responsible for one of them, in monthly rotation. The three: (1) Washington; (2) other national and international news; (3) regional and local news.

Here is how it will work. One network comes on at 6:30 with the night's report from Washington—the White House, Congress, the federal agencies. Breaking stories will be reported, but the main focus will be on issues of pressing importance and on



**'Television reportage
fragments information
to the point of
incomprehensibility'**

how this vortex of the political and economic structures is responding. A thirty-second report that a piece of emergency energy legislation is bogged down in the House Rules Committee is utterly useless. Who is bogging, and why? Assuming that the oil lobby was intimately involved in the process, the television journalist should find out how the lobby worked that day, whom it contacted, how it convinced. What does the politician have to say about his action or inaction — or would he rather have it said of him that he had "no comment"?

The approach should be as broad as the interests and activities of the federal government, whose policies and regulations touch our lives every day, and whose delinquencies are usually overlooked because they do not make "news." It is the refusal or inability of

the government to act today that will produce the political kidnappings and riots and alienation of tomorrow. Actions—or inactions—of the Food and Drug Administration, the Federal Trade Commission, the Department of Health, Education and Welfare, the Securities and Exchange Commission, the Veterans Administration, and all the rest, could be subjected to periodic scrutiny. Clear analyses are needed of the agencies' ostensible functions, their relationships with powerful interest groups and with particular congressmen, and the quantity and quality of the services they deliver, as measured against national needs. Using Washington as the permanent setting for one-third of the daily news is justified by the capital's uniqueness as the point where the politicians and the economic forces that largely define their activities converge.

A second network would be given a one-month assignment in the seven o'clock slot. This half-hour would be devoted to a mixture of stories of national and international significance: global trouble spots, comings and goings of important people, stock and commodity markets, unusual violence, or unusual kindness. Much of this segment would be devoted to analyses of national political, social, economic, and intellectual trends, and to explorations into obscure yet socially significant institutions, such as the commodity exchanges and their effect on the cost of staples.

Probably the most novel network assignment would be the third half-hour. To prepare this segment the network crew would remain for a month in one geographic region, like the Ozark country of Missouri and Arkansas, or the Texas Panhandle, or Aroostook County, Maine. The reports would describe the power structure, local or absentee,

analyze its origins and contemporary social effects, trace racial and ethnic roots, reveal indigenous cultural patterns, and relate local and national trends. Mostly, reporters would talk to people, finding out what is right with them and what is bothering them.

No holds would be barred. Dissent would flourish. Whenever a piece of reporting stirred up enough of a storm, the question could be examined in a news special. Finally, this model would do away with the insidious tradition of role casting. Pretty faces, resonant voices, and father figures might survive, but only if their possessors were good investigative journalists. There is no reason for any of the three segments to have an anchorman.

My argument obviously reflects self-interest. As a history professor I know that the vast majority of my students derive the bulk of their information about the world they live in from television news. And as a teacher who asks questions, I have learned that television's never-ending montage of undifferentiated impressions mix and meld without yielding any sharp meaning or making any intellectual impression on the mind of the stunned beholder.

If you think I exaggerate, ask anyone to discuss with you the causes and effects of any major story featured on last night's news. If, after giving this simple exam, you conclude that my three-tiered reform platform should be adopted, and fast, write to the networks. Do not, however, hold out high hopes for a reply.

JIM WATTS

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THE JOURNAL

Predictions & politics: a journalist's view

by LEONARD S. SILK

The philosopher Baruch de Spinoza, referring to his work on politics and ethics, wrote: "I have sedulously tried to deal with the subject of this science with the same serene detachment to which we are accustomed in mathematics." In his monumental *History of Economic Analysis*, Joseph A. Schumpeter said that every economist ought to be able to repeat that sentence of Spinoza's on his deathbed. Achieving such serene detachment may often be next to impossible for the economist in government, but the ideal is a worthy one. (Indeed, it is also a worthy ideal for newspapermen, even when writing against a deadline.)

But, in my view, the prime contaminant of the work of the economist in government is not so much emotional stress as the deliberate bending, evasion, or concealment of the truth in order to serve a partisan political purpose. A considerable share of the blame for the American economy's inflationary troubles in recent years was due to misleading disclosures of government expenditures, espe-

cially defense expenditures during the Vietnam buildup in 1965-66. That now-celebrated \$10 billion underestimate of defense spending stemmed partly from President Johnson's unwillingness to disclose the mounting cost of the Vietnam war, partly from the Pentagon's reporting of expenditures on a cash rather than on an accrual basis — a deficiency that has still not been remedied, despite the recommendations of the President's Commission on Budget Concepts of 1967 — and partly from the failure of the Johnson administration's economists to dig harder for the facts and to fight harder for the kind of fiscal policies they knew were required.

Through familiarity, that Vietnamese example may have lost its power to shock. Let me, therefore, turn to more recent examples drawn from the Nixon administration. The Treasury Department, in its public releases, gave a grossly misleading accounting of the revenue losses resulting from the tax legislation of 1969. It asserted that the Tax Reform Bill would *increase* revenues by \$6.6 billion in calendar 1970, *increase* revenues by \$16 billion in 1971, and *decrease* revenues thereafter — with a long-run annual revenue loss of about \$2.5 billion. In fact, however, the tax legislation of 1969 *cut* federal revenues by \$6.6 billion in 1970, by \$13.1 billion in 1971, and thereafter by about \$16 billion a year. (The difference is accounted for by the way the Treasury treated the repeal of the 10 percent surtax on personal and corporate incomes and the extension of excises. The Treasury listed the continuation of the surcharge at the reduced rate of 5 percent during the first half of calendar 1970 as adding \$3.1 billion to revenues and as having no effect afterward, on the ground that it would have lapsed altogether had there been no tax bill. In fact, however, President Nixon's decision to eliminate the surcharge — the so-called "fiscal olive branch" from the Johnson administration — meant a \$3 billion revenue loss in the first half of 1970, a \$6 billion revenue loss in the second half of 1970, and an annual revenue loss of \$12 billion thereafter.)

Similarly, the Treasury estimates showed that the excise extension would *increase* revenues by \$1.17 billion in 1970, by \$800 million in 1971 and 1972, and zero thereafter. In fact, as compared with the yield of excises in calendar 1969, the tax legislation produced no change in rev-

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ONLY

Media distortions: a former official's view

by HERBERT STEIN

My closest observation of the news media's treatment of the economy coincided, not surprisingly, with the five-and-a-half years I served in the administration of Richard Nixon. The long hostility of the press toward Nixon, which reached fever pitch in 1973 and 1974, is well known. I was the advocate of a kind of economic policy foreign to the thinking of those who dominate the newspapers, news weeklies, and networks to which my observation was confined: *The Washington Post*, *Washington Star-News*, *The New York Times*, *The Wall Street Journal*, *Time Newsweek*, CBS, NBC, and ABC. (In what follows I shall leave the *Journal* out of account since, as a regular contributor, I have a conflict of interest there.) The media's attacks upon that policy often took the form of attacks upon me, or so it seemed to me at the time. As a result, what I write here may have a certain bias, although there has been a cooling-off period of several months between my leaving government and preparing this essay.

I make my possible bias clear at the start for two reasons — to permit readers of this article to judge for themselves how much of it to discount, and to alert readers to the problem of bias — particularly hidden bias — in the media

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in general. Perhaps this problem can best be posed in a question, or series of questions. What do readers and viewers know about the qualifications of the reporters, analysts, and commentators from whom they receive their information — or about the evidence these men and women rely on, the experts they consult, and the biases and antipathies that lurk in their hearts? The average citizen certainly knows little or nothing about such matters. The television viewer sees and hears a commentator with the sage, paternal appearance and the authoritative voice of a Supreme Court justice in the movies. This judicious facade may, of course, conceal vast ignorance and deep prejudice. Yet, while the viewer may occasionally suspect that this is the case with his or her favorite commentator, no one can be expected to be on guard intellectually all the time.

I do not want to deny that there is much good reporting of the economy "in the small" — micro-reporting one might call it. In the daily press in particular the reporting of yesterday's price of hogs, yesterday's layoffs at General Motors, and yesterday's dividend payments is both accurate and abundant. Such reporting would appear to occupy most of the time of reporters covering economics since it occupies most of the space devoted to economics in the papers. In any event, I want to acknowledge the competence and industriousness reflected in this area before passing on to an area of greater importance — namely, the reporting and comment designed to answer such large general questions as "How is the economy doing?" and "How is economic policy doing?" Macro-reporting we might call it. That journalists consider stories of this sort to be of major importance is obvious; they may not devote more space or time to macro-reporting on a daily basis, but news relating to the big economic picture gets the front-page headlines (and the editorials and the cartoons) in the newspapers, the lead stories in the news magazines, and the first spot on the TV evening news. And in this most important area of reporting, the media's performance is, I believe, seriously flawed.

To begin with, in their treatment of the general economy, as with most other subjects, journalists communicate and exploit anxiety — meaning, in this case, worry about some impending catastrophe when there is no basis in fact, or no

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enues in 1970, a loss of \$370 million in 1971 and 1972, a \$770 million loss in 1973, and a \$1.17 billion loss thereafter.

Whether a tax cut of \$13 billion or more was desirable in the inflationary conditions of the economy of 1970 is highly questionable; even more serious were the long-term revenue losses for a nation faced with heavy and growing public needs and a badly strained budget. But, quite apart from the policy issues involved, distortion of the facts, in which economists were guilty of acts of omission or commission, helped to confuse the public and congressional debate.

The Nixon administration's economists, in my judgment, did not demonstrate much detachment from politics in interpreting the economic indicators as the economy slid into recession. In fact, they stubbornly refused to concede that a recession had occurred at all. And they bitterly attacked skeptics — such as this *New York Times* economic analyst — who refused to concede that inflation was fading away. On May 26, 1971, Dr. Herbert Stein of the Council of Economic Advisers wrote a letter to the *Times*, criticizing its reporting as a "tangled web of inclusions and exclusions which has been woven to give an unrelievedly black impression of the economy," all for the sake, he said, of setting up a case for its continuing editorial pleas for an

incomes policy. The letter was not printed because Dr. Stein subsequently withdrew it, although in an interview with the *National Journal*, published on October 30, 1971, he accused the *Times* of refusing to publish his letter.

It was not only newspapermen who felt the wrath of Nixon administration officials when they refused to accept the party line on inflation, unemployment, the economic outlook, or economic policy. A White House aide in late July called in reporters to say that the president was "furious" with Chairman Arthur F. Burns of the Federal Reserve Board for continuing his public campaign for a wage-price review board. The "final straw," said the White House aide, was Dr. Burns's appearance before the Joint Economic Committee on July 23, 1971, when he testified that there hadn't been "any substantial progress" against inflation. The aide charged that Dr. Burns was being "hypocritical" about inflation and the need for an incomes policy, because he himself had been "trying to get his own salary raised from \$42,500 to \$62,500." Another White House spokesman, following a very adverse public — especially business and banking — reaction to this smear, later said that these White House "leaks" were "not a legitimate expression of presidential opinion." Soon afterward, policy switched and the wage-price freeze was imposed.

Heavy political pressures — and occasionally a muzzle — were also applied to economists at the Bureau of Labor Statistics, the Commerce Department, and even at the Council of Economic Advisers to bolster the administration's rose-colored views or to prevent those views from being publicly contradicted by professional economists or other technicians.

I feel that the strongest possible protest must be made against such conduct whether it is committed by politicians or economists who are political appointees. Since World War II, the American political system has made room at the top for academics — economists and other scientists — who have achieved their positions of great influence not through the elective process but because their specialized knowledge is regarded as a valuable national resource to be institutionalized in such bodies as the Council of Economic Advisers. However, if the knowledge of the academics is not exercised disinterestedly, professionally, and in the interests of the broad society rather than a particular party leader, they will finally lose both their influence and their claim to public respect. By the same token, politicians who bring undue pressure upon their professional advisers or upon career economists and statisticians are guilty of desecrating a national resource.

As for the press, it was given special constitutional protection under the First Amendment not so that it could have a pleasant and cozy relationship with government, but, quite the contrary, so that it could be independent of government and criticize politicians or government officials freely, according to its knowledge and the dictates of conscience, for the sake of preserving an open and free society. If the press should cease to perform that critical function in a tough, honest, and forthright way, it would have sold its birthright and be useless. ■



Media distortions

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adequate basis, for being worried. Recently I spent some hours reading what a number of the leading thinkers in the press had to say on this subject. I must report, in passing, that their writings exhibit a mixture of self-congratulation and paranoia such as I have never come across in the writings of any other profession. At any rate, I came across these sentences:

For some time past the press has been conveying to the American people some fantastically misshapen pictures of their country and their fellow-citizens. It has allowed itself to be used by demagogues as a vehicle for the exploitation of anxiety.

These were my sentiments exactly in regard to the way the media were conveying their picture of the general economy to the American people. To my surprise, I saw that the author was Alan Barth. I blinked. Could this be the Alan Barth who had for so long been associated with *The Washington Post*? Indeed, it was. But Barth had written those words in 1952, and he was talking not about the economy but about "allegations that the government of the United States is overrun with Communists and subversives."

By now, surely, a large part of the press would agree with Barth that there was little foundation in fact for the anxiety which the press helped to create and which it communicated in the 1950s. The government was not overrun with Communists and subversives. At the same time, it is doubtful that any large segment of the press would agree that the anxiety it is presently communicating about the economy is similarly ill-founded — as I believe to be the case. Journalists, as usual, regard themselves as seeing and communicating what is really out there — in the 1970s, evidence that things are bad and will get worse. That isn't all that's out there, and the significance of much of what is said to be there depends upon how one views it.

The data the media cite concerning the unemployment rate, the inflation rate, the Gross National Product, and so on, are generally accurate. But their selection of these data and the comment upon them combine to create a one-sided picture. When, for example, the TV commentator in November 1974 says that more people are now unemployed than at any time since just before the United States entered World War II, he is stating a fact — or at least citing an official statistic. But when he fails to point out certain other facts — that in 1974 the country's working-age population, its labor force, and the number of people employed were all about 50 percent higher than in 1941, or that the unemployment rate in November 1974 was no higher than it had been in 1961, 1958, and 1949 — he is withholding information that would significantly change the tone of his report.

Again, it is a fact that the country, after passing through a

decade of rising inflation, is now in the second recession of that decade. This should be reported, and it has been. But other, equally significant facts go unreported. These relate to the strong, long-term progress of the American economy. This long-term progress means that even in a period of recession, such as the present one, the real per-capita incomes of the American people are higher than they were at any time except for the last year or two. Further, there is every reason to think that real per-capita incomes will be higher five years from now and higher yet ten years hence. This rise of real incomes has been widely shared; the number of people living in poverty has declined; the conditions of life have improved in many respects — and they will continue to improve. But no one whose sources of information are limited to the newspapers, the news magazines, and the nightly television news will know anything about these long-term aspects of the nation's economic life.

Not only do the media concentrate on the short-term aspects of the economy, they also dramatize them in ways that further exaggerate their importance. Prices do not rise, they soar. And the soaring will get a banner headline in the *Washington Star-News* every month, even though the real story is that the inflation rate remains unchanged. Of course, newspaper cartoons are the prime example of distortion as a means of achieving dramatic effect; the complex truth of any given situation is reduced to a caricature. The networks and the news magazines, meanwhile, dramatize the economic news by attempting to "personalize" it. Not content to recite statistics, they show or describe real people feeling the pinch. When the unemployment rate hits 7 percent, however, they do not show or describe seven jobless people and ninety-three people who are still working — that



Media distortions

would be showing an excessive regard for the truth; they focus on the lines of unemployed at the unemployment insurance office.

This tendency to dramatize and personalize is particularly evident in the explanations the media routinely give for the problems of the economy. These problems have a long and complex history; they involve not just one nation but all nations, in varying degrees, at any one time; and they have no simple, single cause. But complicated explanations will not do for the media. The economic "story" requires a villain and a straight-line plot. (The model of the economic story, especially as told on television, is the soap opera.) For many years the villain was Nixon; then, for a while, it was the Nixon holdovers; now it is more simply the administration. In each case the crime was failure to provide "leadership." The content of this leadership was rarely spelled out, and when it was it generally meant mandatory controls of some sort.

Just how devoted the media are to this villain theory of economics was borne in on me after I appeared on *Face the Nation* on July 7, 1974. Asked who was ultimately responsible for the current inflation, I replied that the American people were, since they did not support the sort of policy required to prevent inflation. This seemed obvious to me then, as it still does. Apparently, however, it is the kind of thing one must not say in public. The press reaction was furious. My statement was widely interpreted as an attempt to shift the blame from the media's chosen cast of villains to the media's customers. And my statement was widely attacked as being illogical. The public was the victim of the inflation, so the media argument ran, and therefore could not be responsible for it — as if people are not commonly the victim of their own errors.

The Washington Post gave me the full treatment — a front-page story on July 8, an editorial the following day, and a cartoon by Herblock the day after. The editor of the editorial page had assured me that he would run my reply to the editorial if I got it in to him by 3:00 P.M. — by which I understood him to mean that it would appear in the next morning's issue. I met the deadline. My reply appeared five days later, accompanied by letters from readers (overwhelmingly against me) which occupied about three times as much space as my reply. This reminded me of a lesson I had learned earlier: one cannot effectively use the media to reply to the media; they always have the last word.

(I had, by this time, also learned that one cannot rely on the press to print articles whose point of view clashes with the views held by editors — and that Washington reporters are apt to find their New York editors to be similarly autocratic. To cite but one example of my own experience with

editors who know best what news is fit to print, in 1970 I was commissioned by the editors of *The New York Times Magazine* to write an article on the state of the economy as I saw it. My article was subsequently rejected on the ground that, while it was lucid and interesting, it was not sufficiently objective. Since articles by partisan economists — John Kenneth Galbraith for example — frequently appeared in the magazine, I could only conclude that its editors equated objectivity with conformity to their point of view. Later, in 1971, I was disappointed that the *Times* delayed running a letter of mine until the figures became out of date, and I withdrew the letter; I thought it was going too far for the *Times* then to print a critical comment by Leonard Silk on a point in my unpublished letter, which was not addressed to him. Meanwhile my dealings with *Time* and *Newsweek* reporters in Washington led me to believe that they, too, were subject in the whims of a not-altogether-benign editorial dictatorship. I could talk to them for hours on end; their articles almost invariably had a very different slant. I asked the reporters about this; their reply was, "Well, that's done up in New York."

The technology and economics of the media industry help to explain why the press communicates an excessively dramatic, anxious, and negative view of the economy. Technology permits — and competition apparently demands — emphasis on what has just happened. Writing of

**'The model
of the economic story, especially as told
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is the soap opera'**

the effect of modern technology on the press, George V. Ferguson, former editor-in-chief of *The Montreal Star*, has observed:

The sense of continuity, of the steady, implacable flow of history from the past into the immediate present, is largely forgotten . . . The result is a kind of breathlessness, a panting sense of excitement which we build up almost subconsciously, because that is the way, and the only way . . . we have been taught to play our roles.

This observation has special significance for economics, because a sense of continuity is essential for interpreting economic developments. If the economic news consists of ups and downs superimposed on a generally improving trend, neglect of the trend and concentration on the ups and downs will create a picture of uncertainty and risk, of events being "out of control" — a distorted picture, in short. Neglect of the trend will make the situation seem particularly dire when the economy is going through a down phase. And the media's penchant for over-dramatization, particu-

larly when combined with a fierce sense of competition, can be relied upon to transform the dire into the gruesome.

Not all the deficiencies in reporting stem from the technology and economics of the media industry. The media's failure to make wider and better use of professional economists on the editorial, as distinguished from the business management, side of their operations is a contributing factor. I have been told that Walter Cronkite spent a month studying space science before he began to report on man in space, and I observe that he relies on experts a great deal when he does such reporting. On the other hand, I have never heard that he spent an hour studying economics. *Newsweek* makes room for columns by Milton Friedman and Paul Samuelson — a column by each appears every three weeks — and *Time* has a panel of economists whose thoughts are reported several times a year. This is all to the good, but it still means that the weekly news stories and angles on the economy are determined without the participation of professionals. Again, both the news magazines and the major daily papers have reporters who have learned a good deal of economics. But they are, by and large, entirely self-taught. They have little economic history — which contributes to that lack of historical perspective which I have already commented on — and little economic theory — which contributes to the neglect of the indirect but important chains of causation which run through the economy. This leads, for example, to the view that prices rise because powerful people decide to raise them and that the way to prevent prices from rising is to have someone or some body even more powerful — the government — rule that they must not. (Admittedly, some economists, a distinct minority, have recently given their blessing to this and similar simple ideas.)

There may be another reason why the men and women of journalism are generally critical of the nation's economic system and government economic policy. Writers and actors (and television commentators are, first and foremost, actors) have traditionally been hostile toward the established economic and political order. And while increased literacy, growing affluence, and improvements in the technology of communication have vastly inflated the importance and the income of these groups, these developments have not necessarily reconciled these people to the society.

The consequences of the negative reporting of the economy by the media are hard to evaluate, because we do not know to what extent public opinion is formed by the media. Meanwhile, there is abundant evidence that the public's picture of what is going on bears little resemblance to reality. In the fall of 1974, for example, an Opinion Research Corporation poll showed that the American public believed that prices had increased by an average of 81 percent over the past year, whereas, in fact, they had risen 12 percent. It would be wrong to hold the media wholly responsible for such misconceptions, yet, considering the tone and pervasiveness of the media, it is hard to exonerate them entirely. Two other 1974 polls are relevant here. One, taken by Potomac Associates, showed that a majority of the people were reasonably satisfied with their own economic situa-

tion and prospects but very worried about the national and world situation — which suggests that they were receiving a gloomier picture from secondary sources, including the media, than they did from direct observation. The second poll, taken by Yankelovich, Skelly and White, indicated that a much smaller proportion of old people than of young people felt themselves to be in economic distress, although inflation is commonly thought to be harder on the old than on the young. A possible explanation of this anomaly is that

**"In the end, I suppose,
we get the press and networks we deserve —
just as we get the government
we deserve
and the inflation we deserve"**

the older people can judge their current condition against the background of their life experience, whereas the young must rely upon the media to tell them whether current conditions measure up to reasonable expectations.

In 1973, when I was chairman of the Council of Economic Advisers, I attempted to explain at a press conference that the public perceived conditions as much worse than the facts warranted. A reporter asked me why we cared what the public thought, and I replied that it was not good to have all of the people unhappy all of the time. This spur-of-the-moment retort was only a partial answer. The fact is that public misconceptions of the actual condition of the economy and of policy alternatives lead to bad government action, because the government must respond to the picture that is in the public mind, even if that picture is unrealistic. Exaggerated public anxiety about conditions in mid-1971 and unjustified public confidence in price and wage controls certainly helped to pressure the government into making its abrupt change of policy then. We are now going through a difficult period — one that will require restraint and fortitude if we are to reach greater price stability and economic expansion. The real difficulties of this period will be serious enough. But if the public, guided by the media, forms the opinion that we are experiencing a catastrophe from which simple acts of government alone can save us, the possibility of pursuing a constructive policy will be greatly diminished.

While the media have simple remedies for the problems of the economy, I have no simple remedies for the problems of the media. In the end, I suppose, we get the press and the networks we deserve — just as we get the government we deserve and the inflation we deserve. Being misled by the media is one of the risks of democracy against which we can be protected only by the good sense of the people. One must hope that we can acquire immunity before we are overwhelmed by the media now that almost everyone can read, can afford to, and, thanks to TV, does not have to. ■

Selling the depression

Madison Avenue comes up with the doom boom



by JEFF GREENFIELD

The grandfatherly man is tying fishing flies as he looks up at the TV viewer and remembers how it was: "I don't know if you're old enough to remember the Depression," he begins, "but those were some pretty bad days." He smiles as he says it; clearly the gentleman is now enjoying a comfortable retirement.

Why? Well, it seems that granddad put some of his money in the Anchor Savings Bank.

"Those dollars never quit on me," he says. "Now that should tell you something." Indeed it should — and does. As America comes to grips with its worst economic crisis since the Depression, the advertising industry is busily packaging our anxieties into a powerful

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sales pitch. This is hardly surprising, since advertising always reflects and amplifies national concerns: material lust in the 1920s and 1950s, war unity and a brighter tomorrow in the 1940s, sensory liberation and the youth culture a few years ago.

Now, with shrinking dollars and vanishing jobs sending cardiograms dancing all over the land, a massive effort is under way to link specific products and services to our struggle against impending bankruptcy.

No one is trying harder to sell us a new Depression than the banking industry, seeking to lure back depositors who have deserted savings accounts for higher-yield investments. With the market anchored in the cellar more firmly than the old St. Louis Browns, the bankers are saying "we told you so" with prime-time enthusiasm.

In New York, the Dollar Savings Bank has been presenting rueful investors sorrowfully recalling their ill-fated gambles. A youngish white-collar man munching a hot dog (emblematic of hard times) tells us of the \$5,000 he invested in the market in 1955. Now, he says, he's about where he started, "give or take a few hundred — mostly take I guess." He sighs. "There's gotta be a better way."

Similar TV tales are told by a middle-aged couple buying barren land in the Southwest, a blue-collar laborer who trusted his friend Leroy to bring in an oil well ("What can you lose? Seven t'ousan' dollars"), and a compulsive Vegas gambler. The better way, of course, turns out to be opening a savings account.

Security National Bank of Long Is-

land warned us that "right now, you need all the security you can get." (Security obviously knew what it was talking about; on January 19 the bank, facing probable failure, was sold in an emergency transaction to New York's Chemical Bank.) The Savings and Loan Associations offer us a trustworthy-looking chap in front of the Capitol with a hand microphone (the suggestion being that this is a newsmen, not a radio-miked pitchman), who lets us know that Congress has insured savings accounts up to \$40,000. The point? "No one ever lost a penny in a federally insured savings and loan account." Take that, Wall Street!

Increasingly, products are being "positioned" as money-savers rather





than as amulets of status and sexual prowess. Mennen Skin Bracer, which for years has been advertised as an energizer ("wakes you up like a cold slap in the face"), now turns out to be a bargain. A woman counting her change in a supermarket says the once-masculine tag line "Thanks, I needed that." So does George Washington, inside a dollar bill. Maybe Mennen won't get you a girl, or turn you from a loser into a multimillionaire, but it'll save you dough.

So, evidently, will Campbell's Soup, now telling us in a song and slogan that "Campbell's in the cupboard's like money in the bank." A soup can with a combination safe dial appears, yielding a jackpot of coins.

Money, along with sex and health, has always been a mainstay of the book business, and with hard times publishers are seeing some easy pickings among the literati. There is nothing subtle about their pitches. A recent full-page ad in the *New York Post* shows pictures of breadlines and apple-sellers; it trumpets that a NEW REPORT REVEALS HOW TO STAY EMPLOYED DURING A DEPRESSION. The ad warns "Don't bet the government will take care of you" and urges us to buy *The Out of Work Book* for \$4.95 (plus fifty cents handling) so that we can master such survival techniques as "how to ask your friends and associates for help without embarrassment."

With the success of such books as *You Can Profit from a Monetary Crisis*, the book world can be expected to fuel our concern with more and more descriptions of and prescriptions for the coming catastrophe. Paul Ehrlich, who jolted us a few years ago with *The Population Bomb*, now has written *The End*

of Affluence, to explain just why we will be poorer next year than last year. Just as Americans enriched writers who told us how we were eating ourselves to death, book-buyers will now be expected to shell out money to discover why they have no money.

Perhaps the most ingenious advertising campaigns are those involving the most wounded parts of our economy. With more than \$500 billion in paper losses since 1968, the stock market boys might be expected to retreat quietly into a corner and wait for the all-clear signal. Not so. The Securities Industry Association, for example, is actually boasting that stocks are one of the few things that have *declined* in value over the last six years. "Today there's no better place to pick up a bargain," a TV announcer tells us. This strategy is a bit like running a losing candidate for office with the slogan, "Why go along with the crowd?"

In a spirit of optimism, Merrill Lynch, which made famous the catch-phrase "Merrill Lynch is bullish on America," has gone into reaffirmation. The commercial shows a lone bull set against a sunrise; an announcer tells us, with a significant change of emphasis, "Merrill Lynch is bullish on America. We believe America's economy has the strength to endure hard times — and come back even stronger." Whereupon a huge herd of bulls gallops along the landscape. It is too soon to tell whether this ad contains the most bull ever seen in a thirty-second television spot.

The auto industry, the most heavily hit of all manufacturers, has turned to money as the key selling point. Ameri-

can Motors, Chrysler, Ford, and GM are all offering rebates to their customers, and believable Hugh Downs can be seen emphasizing the higher resale value of cars (itself a result, in large part, of rampaging inflation). And in a spirit of press-corporate cooperation, some papers (the *New York Post* among them) are running "freebie" ads from the Newspaper Advertising Bureau, proclaiming that "there's never been a better time to buy a new car than right now." Featuring such enticements as the fact that "the average monthly auto loan interest charge is only \$3 more than it was six years ago," the ad tells us that this bargain comes at a time when "the nation's economy needs your vote of confidence."

The possibilities for selling the Depression are almost unlimited. If America continues in this current tailspin, we may soon see ads featuring stockbrokers on ledges, urging us to "take a flyer with me in the market." Or perhaps a cheerful hobo will be telling us that "Savarin coffee grounds taste even better the fourth time around." Maybe the telephone company will suggest more local calls, with a slight change in the 1930s song: "Brother, you *can* spare a dime."

Whether the new sales campaigns will succeed is open to question. It just may be that if products and services continue to remind us about how tough things are, the American consumer will decide that every advertisement is right — about the need to save, period. In that case, look for a brand new Sealy Posturepedic ad telling us that "if you *really* want to keep your money in a safe place . . ."

What 8 economic indicators

Being a handbook
for players
and kibitzers of
the statistical
numbers game

by ROBERT J. SAMUELSON

For better or worse, statistics are the bread and butter of economic reporting. You may not like them, but you've got to live with them.

The brief descriptions below of eight widely used economic indicators are intended to make the coexistence easier. While each indicator has its peculiarities — its special weaknesses and unique possibilities for misinterpretation — some general ground rules apply.

It's usually a mistake, for example, to focus exclusively on the latest statistical spasm. Don't ignore it; but don't overplay it. Putting numbers into perspective requires a longer view. Taking a one-month change in prices (wholesale or consumer) and multiplying by twelve for an annual rate can be very risky and very misleading; many economists believe that changes over longer periods — say the last three months, or a year — provide a better reflection of reality.

Likewise, statistics — often spotlighted in the splendid isolation of a headline or a television news report — demand qualification. The unemployment rate, for example, may not be a totally reliable indicator of the job market: even when the unemployment rate remains steady, total employment (that is, the number of people holding down jobs) may be rising — or stagnating. Again, profit figures for 1974 would be misleading without an explanation of an important factor: the (somewhat artificial) impact of inventory profits.

Finally, inflation has cast a cloud over almost all statistics that are expressed in dollars. It's hard to know how much of any change represents price changes and how much reflects real changes in the economic activity. To say that retail sales have increased 8 percent when inflation has risen 12 percent indicates that *real* retail sales have probably declined. To use such numbers without allowing for inflation, then, is either to

mislead or to confuse readers. And, if it's impossible to tell what part of a change is due to inflation and what part is real, stories should at least note the uncertainty.

Featured almost every day on television news programs, **the Dow-Jones industrial average** is probably the most widely publicized economic statistic — and it's a striking example of how a statistic survives simply because it's familiar. People use the Dow to tell them two things: first, what the New York stock market is doing; and second, on the assumption that the market has something more profound to say, what the economy is doing or will do. Yet, better statistics exist with which to measure the stock market — namely, the Standard & Poor's 500 composite average and the New York Stock Exchange's own average. And, more importantly, the stock market's value as an indicator for the general economy is very limited.

The Dow, which consists of the stocks of thirty major companies, including United States Steel, American Telephone and Telegraph, General Motors, and General Electric, was first constructed in 1884 and subsequently adjusted to reflect numerous stock splits; the index number far exceeds the dollar value of any of its individual shares. On occasion, the Dow index has passed the 1,000 mark, and, even after last year's disastrous slump, it still fluctuated at around 600. By contrast, the other two indexes run up and down on a scale of much smaller numbers; the Standard & Poor's average has never exceeded 121, and the NYSE's index's all-time record was 65.48. (When started in 1966, the NYSE index was set at 50, which was very close to the dollar price of an average share on the exchange.) Both these indexes, however, reflect the movement of a far *larger* number of shares than the Dow: Standard & Poor's index consists of 500 stocks; the NYSE index includes the more than 1,500 common stocks

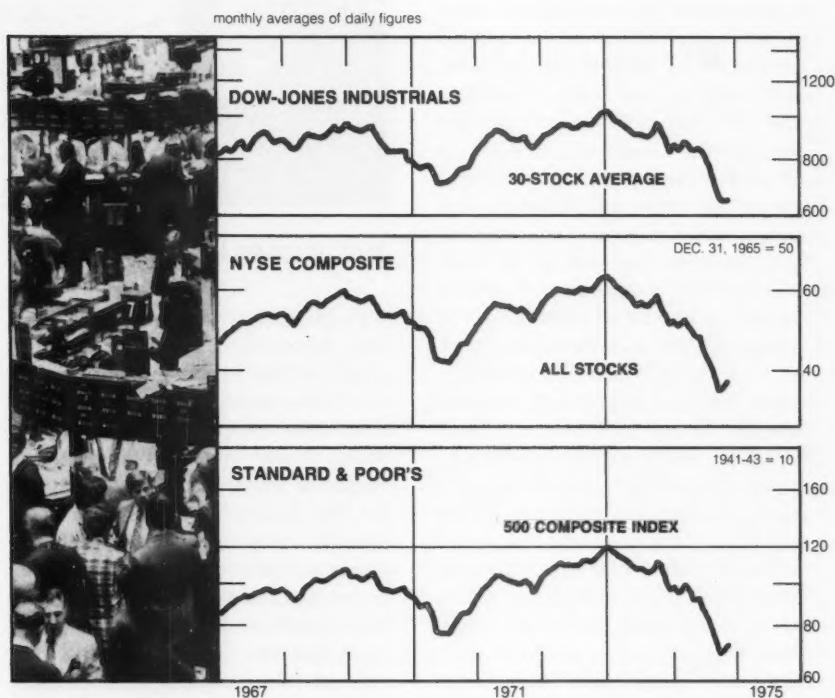
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say (or don't say)

traded on the exchange. Moreover, the weight of different companies' stocks in these two indexes is determined according to the total value of their shares. Thus, the company whose shares are worth the most, IBM, has the largest weight. The ancient Dow doesn't have this proportional weighting, and IBM isn't even included.

An interesting anomaly results from the peculiarities of the three indexes. The Dow gives the impression of much larger fluctuations than do the other two. And, of course, a daily shift of ten or fifteen points — a not uncommon occurrence in the Dow these days — sounds far more significant than a movement of one or two points in the other indexes. The impression can be deceptive, because the prices of the stocks of the thirty big companies represented in the Dow often rise or fall much less than does the average stock on the exchange. Thus, between their 1973 highs and mid-1974, the Dow index declined about 44 percent, while Standard & Poor's dropped 52 percent. In dollars, that's a huge difference, and the curve of the S & P's composite index (as also that of the NYSE) may more accurately reflect the experience of the average investor.

As for the stock market's usefulness in predicting the course of the economy, it is a less reliable indicator than its journalistic popularity may imply. Admittedly, a sharp drop in the market will sometimes precede a slump, but this is by no means always the case. In 1962, 1966, and early 1973, for example, the market suffered sharp declines, but, while economic growth slowed, in none of these instances did the economy slip into a recession. More importantly, the size of weekly price swings appears to have grown in recent years, obscuring whatever basic message the market is trying to convey. Geoffrey Moore, former commissioner of the Bureau of Labor Statistics and now head of research for the National Bureau of Economic Research, says that the mar-



STOCK MARKET AVERAGES

source: Federal Reserve monthly chart book

ket seems to react most directly to anticipated profits and interest rates rather than to some of the other signals — the unemployment rate, inflation, or changes in the Gross National Product — watched more closely by many consumers. Nowadays, though, anticipated profits and interest rates depend in large part on what Washington does or does not do — and the market may not be much better when it comes to guessing government intentions than the average consumer.

The Wholesale price Index has received increasing attention of late, but despite this newfound celebrity it's one of the numbers that economists like least. Economists don't dispute the importance of wholesale prices, but some argue that the current WPI mixes together a lot of different wholesale prices in ways they shouldn't be mixed. Movements in the WPI are usually said to foreshadow changes in consumer

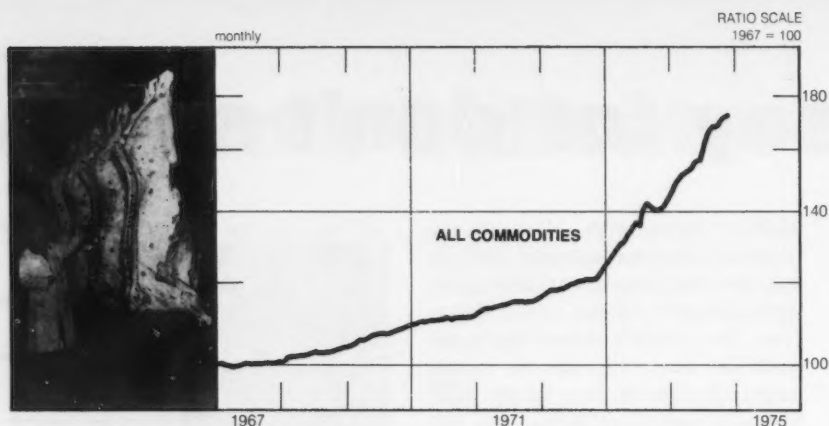
prices, and so they usually do, but the nature of wholesale prices, and the strange mixing of numbers in the WPI, mean that wholesale and consumer prices don't move in lockstep. A 5 percent increase (or decrease) in the WPI, for example, does not automatically lead to a corresponding change in consumer prices. Reporters should beware of implying that they do.

What statistical mixtures can be found in the WPI?

First, it mixes farm and industrial goods, though the two often respond to different influences and may be moving in different directions (or in the same direction) for different reasons. Experienced economic reporters regularly make this distinction by highlighting separate changes in both farm and industrial prices. Farm products, processed foods, and feeds account for roughly one-third of the index, industrial goods for the other two-thirds.

Second, the index mixes raw materi-

ECONOMIC INDICATORS



THE WHOLESALE PRICE INDEX

source: Federal Reserve monthly chart book

als and finished goods. According to Joel Popkin, former assistant commissioner of the Bureau of Labor Statistics, this sometimes produces double or even triple counting in the index. A memo Popkin prepared for the Joint Economic Committee put it this way: "A rise in iron ore prices will likely increase steel prices, which will result in higher auto prices. It is the higher auto prices which will affect the Consumer Price Index, not the sum of the iron ore, steel, and auto prices." But, because iron ore, steel, and auto prices are individual items in the index, each could contribute to monthly increases in the index.

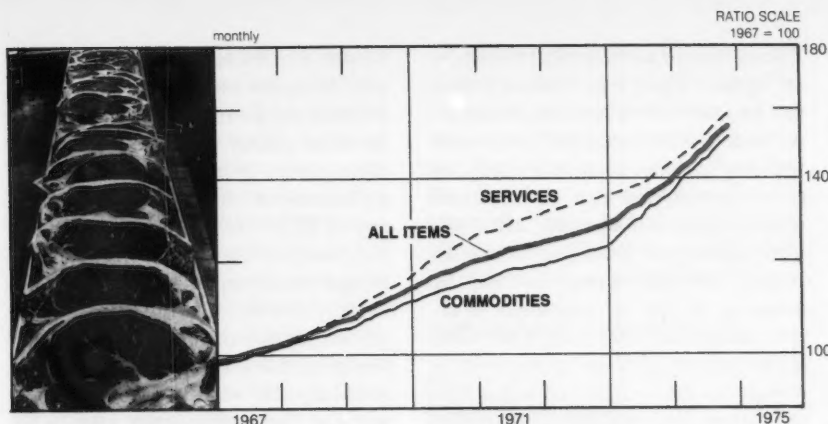
Rapidly rising raw commodity prices tend to give misleading clues about ultimate changes in consumer prices for another reason: at each stage of production, raw materials typically constitute a diminishing portion of total costs, so the impact of commodity price increases is reduced. (Obviously, however, final prices can increase even if commodity prices are declining, because producers may raise prices to offset other cost increases, such as labor costs, or to boost profits.)

If Popkin had his way, he would scrap the overall WPI entirely and replace it with a series of less sweeping indexes. "We're always looking for shorthand formulas," Popkin says, "and I'm all for them, except when they're misleading." Popkin failed to scuttle the overall WPI, but he did succeed in getting the BLS to enlarge the standard public release of the WPI to include separate tables for changes in raw materials and

finished goods. These tables can be a useful source of news, allowing, as they do, the reporter to pinpoint more accurately the location of price pressures. Last September, for example, although the index for industrial commodities continued to increase sharply (0.8 percent), almost all the increase occurred in finished goods, while the prices of raw materials (excluding food) remained steady. Along with other evidence, this indicated that the worldwide commodity boom was faltering. Perhaps, too, the stabilization of raw materials prices foreshadowed a slowing of the price increases in finished products.

The most frequent gripe about the **Consumer Price Index** is that it always lags behind the times. Prices, people say, are rising faster than the index indicates they are. Economists at the Bureau of Labor Statistics, which puts out the index, don't agree. Public discontent with the CPI, they say, reflects the selective nature of the public's memory: shoppers vividly recall the biggest price increases, hazily remember medium-sized increases, and positively suppress the price declines. The economists have a point. But the CPI doesn't — and can't — accurately gauge everyone's real-life inflation rate.

The CPI measures price increases of a fixed "market basket" of goods and services and, because we all spend our money in different ways, our personal market baskets seldom duplicate the CPI model. If one spends heavily on items whose prices are climbing the fastest, the CPI will understate one's actual



THE CONSUMER PRICE INDEX

source: Federal Reserve monthly chart book

inflation — and, of course, vice versa.

The CPI, then, is far from perfect. Still, its impressive detail probably makes it as good an indicator of consumer-price trends as can be compiled.

What goes into the CPI's basket? The index includes the following major categories: housing costs (which represent about 33 percent of the index); food costs (about 25 percent); health and leisure spending (about 19 percent); transportation (13 percent); and clothing (10 percent). In these categories are some 400 items, which are priced monthly by 200 (mostly part-time) BLS price collectors in 18,000 stores and service establishments in fifty-six metropolitan areas. The 400 items — ranging from eight different cuts of beef to repairs on washing machines, from utility rates to toothpaste — sample many kinds of spending, but obviously the list is far from complete.

The composition of the CPI's market basket — that is, the different items priced and the overall weights in the index — is supposed to reflect the spending patterns of a typical "urban wage earner and clerical worker." Thus it does not pretend to measure the spending habits of large groups of the population: executives, professionals, farm and rural families, and the so-called institutional population made up of students, the hospitalized, and members of the armed forces. Still, this may not be as limiting as it appears. The typical worker covered by the index is a fairly solid member of the middle class. In 1971, according to the BLS (which has yet to update the figure), this typical

worker had an annual income of about \$10,500.

In addition to its nationwide index, the BLS publishes separate indexes for twenty-three metropolitan areas (five monthly, the rest on a rotating quarterly basis). State and municipal authorities want the government to compute and compile accurate city indexes. (Alaskan officials, for example, say they need such individual indexes to measure the inflationary impact of the pipeline construction boom.) But to produce an accurate individual index the BLS must collect a prodigious minimum number or prices in each city. Although up to 150,000 individual prices are collected each month (most items must be priced many times to assure accuracy), the sampling in more than half the cities is still not large enough to produce a comprehensive index for those cities.

Productivity belongs to the lower echelon of economic statistics, but it's worth watching closely, because — like the Wholesale Price Index — it can foreshadow future price increases.

Higher productivity means that people produce more in a given amount of working time. The Bureau of Labor Statistics calculates this in a straightforward fashion: it takes total output (supplied by the Department of Commerce from its GNP figures) and divides by the number of man-hours worked. If output has increased more than man-hours, productivity has risen; if man-hours rise faster than output (or, as happened last year, if output falls, but man-hours fall less), then productivity declines. Most analysts watch productivity in the non-farm economy most closely, because agricultural output depends so heavily on weather or, until recently, on government farm programs.

Combined with information on changes in average pay and fringe benefits, productivity figures can indicate future pressures on both prices and corporate profits. If productivity rises as rapidly as worker compensation, rising wages don't put much pressure on companies to boost prices, since the higher output is supposed to offset the higher wages. If, on the other hand, worker compensation has increased more rapidly than productivity, then profits will probably be squeezed and executives will want to raise prices.

In 1974 this composite productivity-compensation picture has been a disaster, indicating enormous future pressure for price increases. Here are the figures from the third quarter of 1973 to the third quarter of 1974 for the private non-farm economy, seasonally adjusted:

Productivity (output per man hour): down 3.0 percent

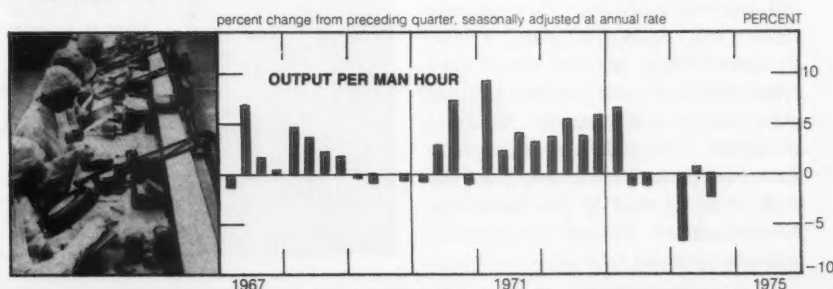
Compensation: up 9.7 percent

Unit Labor Costs (productivity increases offset by higher pay): up 13.1 percent

continued

PRODUCTIVITY

source: U.S. Dept. of Labor



ECONOMIC INDICATORS

A mixed bag of farther-out indicators

A couple of years back, in the June 27, 1973 issue of *Financial World*, senior editor John F. Lyons surveyed the farther-out spectrum of economic indicators in an article titled "Offbeat Cycles Try to Explain the Market's Behavior." Among other cycles and indicators Mr. Lyons describes are the sunspot cycle ("stock market peaks closely coincide with peaks in the sunspot cycles"), the rising-hemline indicator (as hemlines go so goes the market), the aspirin indicator ("when sales and production of acetylsalicylic acid — the principal ingredient in aspirin — begin to rise, the market begins to fall"), and the three-step rule (after taking three steps up, the market is apt to stumble).

Recently, David Gumpert, a staff reporter for *The Wall Street Journal*, came up with a new one: the goat indicator. "A goat boom in the U.S.," Mr. Gumpert explains in a front-page story which appeared in the January 16 issue of the *Journal*, is a "sure sign that times are tough." The underlying principle is that "you can buck (as in male goat) the high price of milk if you have doe (female goats)." Needless to say, goat sales are booming.

There are a few caveats about productivity figures. First, over relatively short periods (that is, year to year), productivity tends to accelerate quickly during the first stages of an economic expansion (since production can be increased without hiring new workers), and to decline during an economic slowdown (since, although production may be dropping, it may be impossible to reduce work time at the same rate). Over the longer run, increased productivity is thought to reflect improved technology and better-educated and more highly motivated workers. Second, huge declines in the output of some industries — automobiles, electric utilities, and homebuilding, for example — may distort the overall productivity picture. To some extent, this may have happened in 1974.

Profits are generally blown up by journalists into stories about "soaring" profits or buried in articles on the financial page. It's hard, apparently, for the media to strike a happy medium.

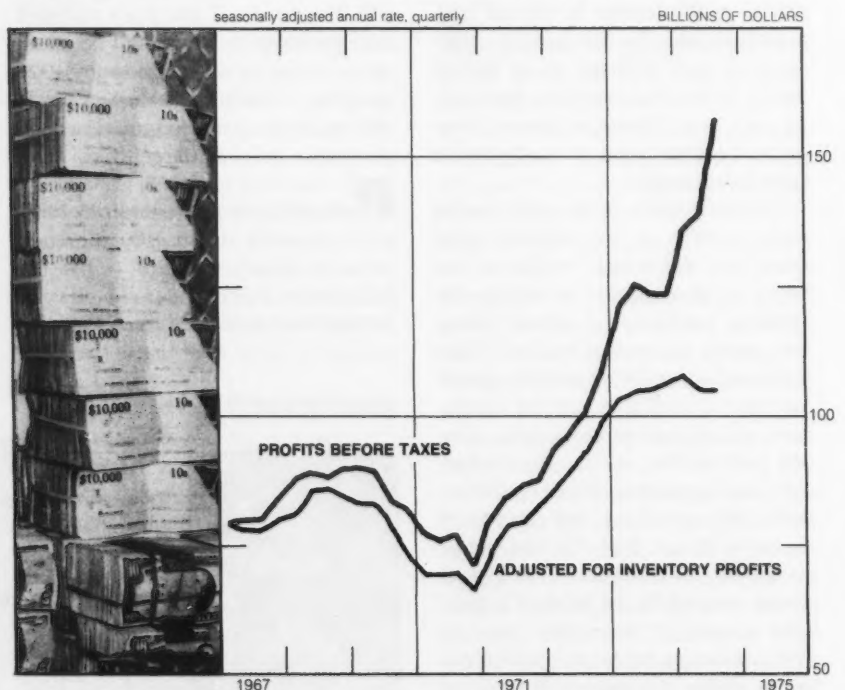
The Department of Commerce publishes quarterly estimates of total corporate profits, but inflation is making these

figures increasingly easy to misinterpret. Consider what happened in 1974. Between the fourth quarter of 1973 and the third quarter of 1974, total profits (before taxes) rose, or seemed to rise, at a phenomenal rate — from an annual rate of \$122.7 billion to approximately \$157 billion. The increase was partly a mirage since it represented so-called inventory profits. During inflationary periods, inventories bought months before at relatively low prices often can be resold at prices well above normal mark-ups. But these profits may have to be reinvested to buy new inventory — at higher prices. Thus these "profits" may not be available for dividends, new capital investment, or more working capital — the traditional uses of profits.

Until recently, inventory profits were relatively insignificant; now they have grown to immense proportions — about \$52 billion, at an annual rate, in the third quarter of 1974. Deducting these inventory profits in both the fourth quarter of 1973 and the third quarter of 1974 left virtually identical profits: \$106 billion. Reporting solely the huge 1974 increase would have been misleading. Moreover, if the dollar amount of profits

PROFITS

sources: Federal Reserve monthly chart book, U.S. Dept. of Commerce



stays level and the price level increases, "real" profits have declined. (Incidentally, compensating for the artificially high markups of inventories — called Inventory Valuation Adjustment — is one of the trickier problems involved in estimating the Gross National Product.)

Profits tend to fluctuate wildly — another reason why a large percentage increase in any one year can be misleading. Since the end of World War II, profits have declined as a proportion of GNP. The decline since 1966 has been particularly severe, although there was a recovery in 1973:

Profits as Percent of GNP

1966: 11.0	1971: 7.5
1967: 9.9	1972: 7.0
1968: 9.8	1973: 8.1
1969: 8.6	1974: 10.4*
1970: 7.1	

* Based on three quarters

Source: U.S. Department of Commerce

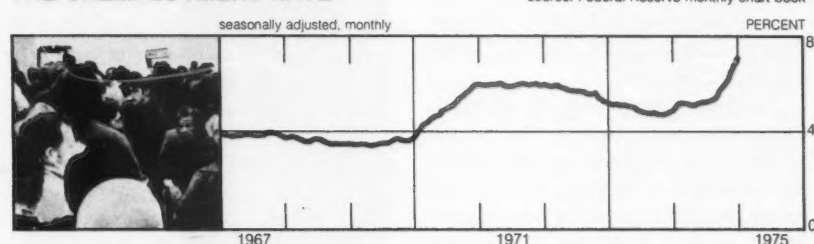
Economists disagree on whether this long-term decline is ominous. Yale economist William Nordhaus — after adjusting profits to see whether the decrease might artificially reflect tax changes or new depreciation benefits — confirmed the drop, but found no cause for alarm. "Keynesian thought has so revolutionized economic management that episodes like the Great Depression are obsolete," he said in a paper delivered last year. Risks have declined, so investors accept lower profits. Other economists contend that higher profits are needed to assure new investment and future growth. It seems likely, however, that a return of profits to 1966 levels would imply even greater inflationary pressures.

The unemployment rate — along with the CPI, the statistic that packs the biggest public wallop — is arrived at very simply. You start with the number of people in the civilian work force — that is, people working or looking for work — and compute the percentage of those who are out of work by simple division. (The Bureau of Labor Statistics gets its estimates of the total work force and the jobless from a monthly sample of 50,000 households.)

Once you have the number, though, you still have to decide what it means. And that may present problems.

The unemployment rate alone, for example, may give a misleading impression of the job market, making things look either a bit better or worse than they actually are. In a time when the economy is very strong, for instance, the large numbers of new openings and the presumed ease of finding a job may induce large numbers of people

THE UNEMPLOYMENT RATE



who have dropped out of the work force or never previously joined it to look for jobs. By adding to the total work force, this influx can keep the unemployment rate up. Thus in the first half of 1973, the number of people employed in nonagricultural industries increased by 1.8 million — about four-fifths of the total of new jobs for the entire previous year — but the unemployment rate remained virtually stationary at around 5 percent.

The same thing can happen in reverse. Early last year, as the economy suffered through the oil embargo and predicted slowdown, the one piece of relatively "good" news seemed to be the imperturbability of the unemployment rate: from January to June it fluctuated between a seasonally adjusted 5 and 5.2 percent, a change so small as to be statistically insignificant. But if the unemployment rate remained steady, so too did the number of people who found jobs; for the first six months this number grew less than 400,000. What happened was that the number of people who were looking for jobs also remained nearly static. Another misleading component of the stability in the unemployment rate may have been the reluctance of employers to fire workers until the direction of the economy became clearer. Last fall, however, as the recession worsened, employers began laying off workers, resulting in a significant increase in the unemployment rate.

Over longer periods other idiosyncrasies can affect the reported rate. Consider the period between 1965 and 1968, when the average unemployment rate declined from 4.5 percent to 3.6 percent. Geoffrey Moore, former commissioner of the BLS, believes that most of the decline below 4 percent reflected the special impact on the work force of

the Vietnam war. The war drained away hundreds of thousands of young men — an age group with a traditionally high rate of unemployment; the return of these men in the 1969-1972 period put extra strain on the economy to create new jobs and tended to keep the unemployment rate up.

The most sensitive issue involving the unemployment rate is, of course, how one defines full employment. This is particularly crucial for journalists and others who search for some attainable, desirable, and clear-cut target against which to measure results. That goal has been 4 percent ever since the Council of Economic Advisers unofficially adopted it in the early 1960s. Recently, however, an increasing number of economists — Republicans and Democrats alike — have backed away from that figure, at least temporarily, while not yet agreeing on a substitute.

The reasons for reassessment lie not only in high inflation, but in some drastic changes in the work force over the last twenty years. Women and young workers — the latter reflecting the postwar "baby boom" — have gone to work by the millions; the percentage of young workers (ages sixteen to twenty-four) and women rose from 41 percent of the total in 1956 to 52 percent in 1973. Moreover, for a variety of reasons — wives taking a job, or young workers alternating work with leisure, because they were searching for a satisfactory

job, or simply because they were the first to be let go — these groups change jobs more often and have sharply higher unemployment rates than most male workers. These changes affect the unemployment rate. Had the composition of the work force been the same in 1973 as it was in 1956, the average unemployment rate of 4.9 percent would have been 4.1 percent, according to the Council of Economic Advisers. The council suggested that 1973's 4.9 percent was close to what it called "maximum employment."

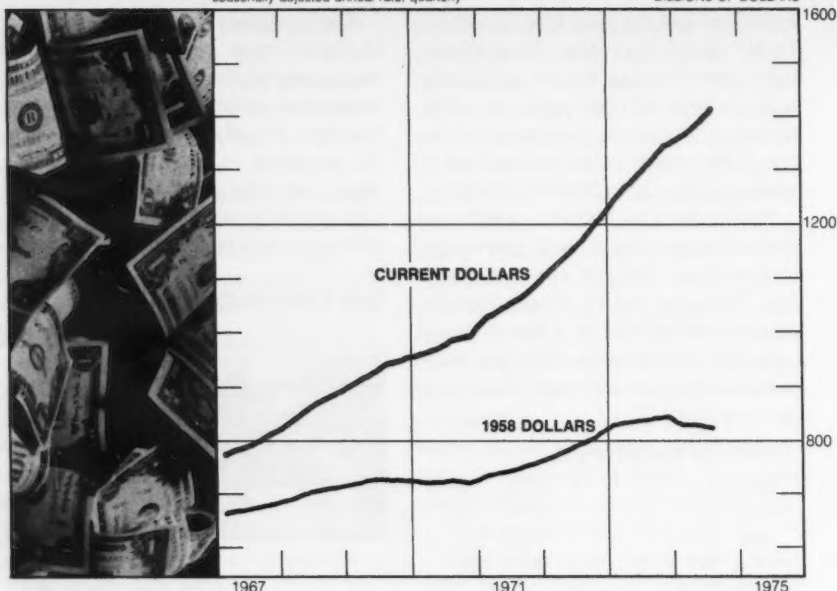
There are other reasons for reconsidering the rate. George Perry, an economist at the Brookings Institution, has argued that because women and young workers tend to be less experienced and less productive, a 4 percent unemployment rate now implies higher inflationary pressures than a 4 percent rate twenty years ago. Edgar Fiedler, the Treasury's assistant secretary for economic policy, cites inflation, too: "Our basic error is that we almost always think of the limits of economic capacity in terms of the unemployment rate. One has only to review our postwar history to see that our economic booms did not come to an end solely because we reached the limits of expansion in the labor markets."

One wild card remains in all this, however — so-called "hidden" unemployment. The hidden unemployed are adult workers, including large numbers of blacks, who are defined out of the labor market (and, thus, aren't included in the unemployment rate) because they aren't actively looking for a job. Many economists now refer to this as "structural" unemployment which, they assert, cannot be eliminated by conventional policies of economic expansion.

The Gross National Product attracts so much attention that it often seems more cult object than statistic.

The Gross National Product — usually described as the economy's total output of goods and services — provides the best overall indicator of the economy's direction and performance. Its major components are:

□ Personal Consumption — What ordinary people buy accounts for about 63



THE GROSS NATIONAL PRODUCT

source: Federal Reserve monthly chart book

percent of the total GNP, so, obviously, how much consumers do or do not buy has a great influence on the economy.

□ New Investment — In practice, this subdivides into three fairly distinct parts: new housing, new industrial development, and the net increase or decrease in business inventories. (Final sales coming out of inventories don't represent current production; if there is a net decrease in inventories this is subtracted from final sales to get the GNP.) Together, these three items accounted for about 16 percent of the GNP in 1973.

□ Government Purchases — Direct government buying — for defense, police, schools, and park services — at all levels accounts for about 20 percent of the GNP. Payments such as Social Security, welfare, and food stamps aren't included in this category, but are classified as direct transfer payments from one group to another group.

□ Net Exports — In 1973 net exports (exports minus imports) accounted for less than 1 percent of the GNP. When imports exceed exports, a deduction is made when calculating the GNP.

Measuring the GNP has never been easy, because it involves adding up a lot of individually collected statistics, many of which aren't precise. Inflation compounds the problem since total dollar figures must be "deflated" — that

is, adjusted for inflation to show "real" changes in economic activity. Imprecise estimates — and the estimating techniques vary for different components — could give a misleading picture of both the state of the economy and the underlying inflation. Although the GNP has been remarkably accurate in the past, no one really knows how seriously inflation undermines its reliability.

The best informal check on the GNP is to look at other, less sweeping indicators of economic activity, such as employment and unemployment or total hours worked. Thus in the first quarter of 1974, GNP declined (in "real" terms) at an annual rate of 7 percent, a huge drop which many officials felt overstated the actual slump. (At the time, remember, the economy was being squeezed by the peculiar pressures of the oil embargo and the energy-related plunge in auto sales.) Other statistics tended to corroborate this view: neither total employment nor hours worked dropped as sharply.

The most controversial aspects of GNP, however, involve its desirable rate of advance and its legitimacy as an indicator of economic progress. "The unending GNP derby, closely reported by the press, tends to generate a performance cult that makes 'steady-as-she-goes' policies politically costly," Henry

Wallich, a former professor of economics at Yale and now a member of the Federal Reserve Board, observed a few years back. For the last decade or so, economists figured that the GNP could grow about 4 percent annually, reflecting a normal increase in the labor force of about 1 percent and an increase in worker productivity of about 3 percent. Assuming that "full employment" meant a 4 percent unemployment rate, economists could easily crank out annual "potential GNP" targets from their computers. This is all very well if the economy is steadily moving along in a low-inflation path of growth, but what happens if the economy is recovering from a slump? How fast should it grow to make up lost ground in reaching "potential" GNP? And what if "full employment" is closer to a 5 percent unemployment rate than a 4 percent (the change obviously results in lower estimates of "potential GNP")? These are good questions without good answers.

A more philosophic objection to GNP is that it ignores the costs of economic growth — pollution, congestion, and the exhaustion of natural resources. If these costs rise more rapidly as growth rates increase, the GNP could convey the ultimate contradiction: the better things seem to get, the worse they are. In 1970, two Yale economists, James Tobin and William Nordhaus, attempted to evaluate this criticism by constructing a new index, the Measure of Economic Welfare, to gauge not only the costs of growth, but also some of the benefits that GNP doesn't cover — primarily, the vast increase in leisure time. According to their calculations, which are as controversial as they are complicated, economic welfare advanced at a steady rate (though slightly slower than the GNP) from 1929 to 1965, despite the costs.

One example Tobin and Nordhaus used, however, suggests the limits — possibly the futility — of trying to measure everything. "If one of my neighbors cultivates a garden of ever-increasing beauty," they write, "and another makes more and more noise, neither my increasing appreciation of the one nor my growing annoyance with the other comes to the attention of the Department of Commerce [which com-

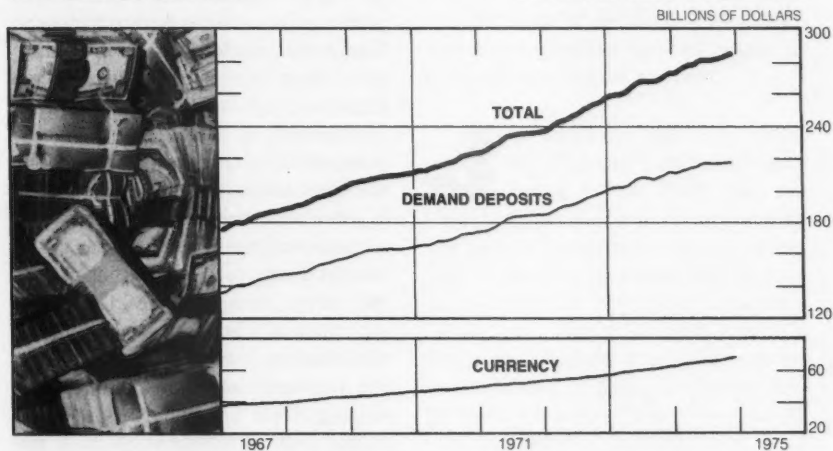
putes the GNP]." True. But if the gardener is a hostile recluse and the noisemaker is a gifted and affable inventor, which would you rather have as a neighbor? (And what happens to "welfare" then?)

Having gotten this far, you should be treated to one statistic that is rarely reported and, when it is, is usually confined to an obscure spot on the financial page. This is **the money supply**. Ironically, many economists — led by the irrepressible Milton Friedman of the University of Chicago — believe that the rate of growth of the money supply is the critical influence on the economy. Their reasoning is that if the Federal Reserve allows the money supply to grow more rapidly than the economy can increase its output, inflation will inevitably result — a case

don't know what money is — there are at least four technical definitions. And most people don't really understand how money is "created." It isn't created merely by printing more bills. Instead, the Federal Reserve — when it wants to add to the money supply — buys U.S. government securities (such as U.S. Treasury bonds or Treasury bills) from private dealers (many of them commercial banks) and writes them a check for the purchase. Because the check isn't drawn against anyone else's account, it "creates" new money when the dealer deposits it. (There are other ways, too, in which the Federal Reserve creates new money, but this is the most common.)

Finally, interpretation of money supply figures is an extremely tricky and controversial business. Given inflation (which increases people's demand for

THE MONEY SUPPLY



of too much money chasing too few goods. On the other hand, if the Federal Reserve reduces the supply of money too drastically, the scarcity of credit chokes off economic growth. The result: unemployment.

If the money supply is so important, why isn't it reported more?

First — and most obvious — many economists reject the dominant role of money supply, believing that many other factors (government budgetary policy, for example) exert a strong, independent influence. Without a professional consensus, the money supply theory hasn't been easy to popularize.

Second, it is confusing. Most people

more money), economists differ widely on what is a desirable rate of growth for money. If 3 to 5 percent is the "right" rate in a low inflation economy, what's the "right" rate when inflation is 5 or 10 percent annually?

The Federal Reserve releases money supply data on a weekly basis, but it's probably impossible to report it in a form that's intelligible to the average reader — which is why it is laid quietly to rest in the financial page. What one can do is to watch the fluctuations in money supply over longer periods of time and to report the controversies that swirl around the quiet policies of the Federal Reserve Board. ■

Are the media making things worse?

Or are they just
spooking themselves?

by FREDERICK C. KLEIN

"The depression talk in the press has been disturbing, to say the least," says Charles Binder, executive vice-president of the National Retail Merchants Association, based in New York. "Sure, things are off, but they're nowhere near as bad as the thirties. Retailers I talk to say that gloomy newspaper stories made Christmas sales worse than they might have been."

Unhappiness about coverage of the current recession runs deep in the business community. Comparing our present economic situation to the Great Depression, businessmen believe, makes consumers afraid to part with their money, which, in turn, serves to prolong the recession. Such charges are, of course, based on the assumption that the media shape the public's opinion of how well or poorly the economy is doing. How valid is that assumption?

The answer begins with a couple of general findings that have emerged from public-opinion research over the years. One is that people's opinions are much more likely to be formed by what they learn firsthand or from friends and associates than by what they get from the newspapers or radio or television. The relevance here to the public's evaluation of news about the economy is obvious: no housewife needs a newspaper to tell her that living costs are rising; she learns that every time she goes through a supermarket checkout counter. The other finding, a corollary to the first, is that the media are more influential in shaping people's attitudes toward far-off events, such as foreign conflicts or national politics, than toward things happening close to home. The factory worker, then, while apt to get more information about his job and pay prospects from the factory grapevine than from the six o'clock news, could be expected to derive his ideas about the future course of the national economy from the media. Some pollsters, however, believe that many of these ideas, too, have a homely origin.

"Twenty-eight years of polling have convinced me that the press doesn't

formulate the public's views on the economy — it merely follows them," asserts Albert Sindlinger, chairman of Sindlinger & Company, a Pennsylvania firm that conducts regular surveys of economic and political sentiment for more than 300 business clients. "The public was way ahead of both the press and most economists in sniffing out the recession. It also knew that the current round of heavy layoffs was coming before the press caught on."

"Let me give you an example. Last April I talked to an auto worker in Flint, Michigan. He told me he was earning more than the year before because his overtime was up. He also knew he had a pay boost coming, but he said he still expected his earnings to drop before the end of the year. When I asked him why, he said that he felt his plant was turning out too many Buicks at a time when his neighbors were holding back on their purchases, and that there were bound to be cutbacks. He was right."

Jay W. Schmiedeskamp, director of the prestigious quarterly surveys of consumer sentiment conducted by the University of Michigan's Survey Research Center, agrees that personal experience takes precedence over media content in determining economic attitudes. He adds that the people who pay the least attention to the media are those who usually are the first and hardest hit by business downturns — low-income individuals. "When they cut back on their spending," says Mr. Schmiedeskamp, "it's not because they read somewhere that hard times are coming. They feel the pinch, and it hurts."

What effects on consumer confidence, if any, do the two pollsters attribute to the media?

"It comes mostly from the way the public interprets political news," Mr. Sindlinger says. "Experts may be able to separate politics and economics, but the population as a whole doesn't. Over the last two years — with Watergate and all — there's been a marked decline in people's confidence in their government, and this translates itself into the feeling that nothing much will be done to set the economy straight again. I think that's a major reason why people are gloomier about economic prospects now than at any time in the nearly thirty

Frederick C. Klein is a reporter for The Wall Street Journal's Chicago bureau and is coauthor of the recently published News and the Market.

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years I've been in the polling business."

Mr. Schmiedeskamp, for his part, believes that the opinion-shaping role of the media in regard to the economy has grown as a result of the media's increasing attention to economic affairs. "The consumer has gone to school on the economy through the media in recent years," he says. "Comments about things like currency devaluations and interest rates are popping up spontaneously in our interviews these days. That rarely used to happen. This must reflect attention to the press, because you don't learn about those things from your neighbors."

In the near future, Mr. Schmiedeskamp believes, "people will be more interested in, and increasingly responsive to, economic news" — a prediction that, one can only hope, will inspire the media to improve their coverage of the economic scene fast. As matters stand, most newsrooms lack the kind of expertise needed to present economic news in its proper context.

The need for expertise becomes obvious once one considers the hazards involved in the figures the journalist must deal with. To begin with, most of the statistical measures of economic activity that dominate the news of late are released by the federal government one at a time, thus presenting even professional economists with problems of interpretation. Journalists tend to regard any upward or downward movement of these figures as good or bad news, but this can be misleading, particularly when the focus is on predicting the course of the economy.

Economists have sought to deal with the difficulties posed by piecemeal releases by arranging some key measures of economic activity into groups that have shown a tendency to move in different rhythms in relation to the broad business cycle of expansion or contraction. "Leading indicators," such as new orders for durable goods, corporate after-tax profits, and permits to build private homes, are those that usually reach their peaks or dive into their troughs before corresponding turns in aggregate business activity. Accordingly, they are considered most valuable in predicting the future.

"Roughly coincident indicators," such as the Gross National Product, industrial production, and the unemployment rate, tend to move together with the business curve. "Lagging indicators," such as percentage of persons unemployed fifteen weeks or more, business expenditures for new plant equipment, and bank rates on short-term business loans, usually change after the general economy has turned.

Yet even this neat arrangement may lead to confusion, partly because of lags between the government's collecting and reporting of data, partly because the grouped indicators rarely move together smoothly. Moreover, various government measurements of the same things may yield quite different results. Writing in *The Wall Street Journal* of December 4, economist Geoffrey Moore, former U.S. Commissioner of Labor Statistics, noted that the Bureau of Labor Statistics' annual survey of households, released in November, gave a considerably brighter picture of the American consumer's battle with inflation than did the bureau's monthly reports. (The latter, as Moore explained, are based on payroll data and, unlike the household survey, do not break down the work force according to such characteristics as age, sex, marital status, and full-time or part-time employment.) Moore pointed out that the household survey showed that the income of heads of households with full-time jobs — economically the most important segment of the work force — has held up much better than that of part-time workers over the past five years.

Unemployment statistics may, similarly, lead the unwary journalist astray. In *The Wall Street Journal*'s "Outlook" column of December 23, 1974, assistant managing editor John O'Riley noted that, despite a large increase in joblessness between November 1973 and November 1974, total employment in that period actually rose slightly.

Both Moore's and Riley's findings, incidentally, tend to support the press critics' view that the headlines were overstating the nation's economic plight, at least in late 1974.

Statistics pose one problem for journalists; understanding the causes of such

phenomena as inflation presents another. Here, however, it's not so much expertise that seems to be lacking as thoughtfulness. The high cost of living, for example, is generally blamed on inflation. But may not the rise in the standard of living have something to do with it? Last summer, reporters for the *Los Angeles Times* looked into changes in the budgets of some typical middle-class American families over the past fifteen years to gauge the twin effects of inflation and the rise in the standard of living. Among other things, they found (not so surprisingly) that higher taxes are a primary cause of pinched pocketbooks today and (more surprisingly) that the public's reliance on professional problem-solvers has become a very expensive habit. The paper noted, by way of example, that last year the average cost of treating a sore throat came to \$43.50 — a price that includes the cost of a visit to the doctor's office, lab fees, and the cost of antibiotics — while fifteen years ago the standard course of treatment was aspirin and rest.

John Lawrence, the *Times*'s former financial editor and Washington bureau chief, who recently was put in charge of coordinating his paper's broadened economic coverage, believes that newsmen should call a moratorium on pontifical statements about the future of the nation's economy. "I think a lot more can be accomplished by taking a complex subject and explaining it in a way people can understand," says Lawrence.

Francis Pollock, editor of *Media & Consumer*, a two-year-old monthly published in Norwalk, Connecticut, devoted mostly to reviewing media coverage of consumer news, would like to see papers and broadcasters do more to relate national economic trends to their local areas. He also thinks that the press should provide readers with more shopping aids, such as price comparisons of products that serve much the same purpose — sugar and saccharine, for example — and of the same products at different stores around town.

"We ought to be out encouraging price wars," says Pollock. "That would help people more than telling them the latest unemployment figures." ■

Exposing



the CIA (again)

Caprice plays its part in defining news

by LAURENCE STERN

Over the years the Central Intelligence Agency has weathered public controversies arising from prying newspaper articles or indignant outcries from foreign capitals. Ritualistically, there would be private and cozy hearings on Capitol Hill, presided over by the agency's putative congressional overseers. The sessions usually would conclude with a pat on the back for the director of the CIA, and praise for his candor and valiant service to the nation. These periodic encounters, everyone agreed, were the price a secret service had to pay in a free society.

But things have changed. The CIA is now on the verge of a public examination the likes of which it has never experienced in its twenty-eight-year history. A special presidential commission, though stacked with friendly magistrates, is studying the CIA's domestic operations in an inquiry that could become the instrument for a substantial overhaul of U.S. intelligence activities. Two select congressional committees, which include in their membership some of the most outspoken critics of the CIA's overseas operations, are also organizing themselves for inquiries almost certain to prove painful at the CIA's headquarters in Langley, Virginia.

The specific catalyst for all this was a story that appeared in *The New York Times* last December 22 under the byline of prize-winning investigative reporter Seymour Hersh. Rarely has a journalistic enterprise been rewarded with such a swift and dramatic flow of governmental responses. This was all the more remarkable because of the haziness of detail in Hersh's original story. The dearth of hard facts, acknowledged to some extent in the story itself, stood in sharp contrast to the article's page-one display. This first story contained several firm allegations. One was that the agency had maintained "intelligence files" on at least 10,000 American citizens. Another was that an internal CIA

Laurence Stern is on a one-year leave from his position as correspondent for The Washington Post. He has written frequently about national security developments.

review in 1973 "produced evidence of dozens of other illegal activities [by the CIA] . . . including break-ins, wiretapping, and the surreptitious inspection of mail." Hersh also cited anonymous sources to the effect that the CIA had spied on antiwar demonstrations.

These claims, subsequently confirmed in part by CIA director William E. Colby, were set by Hersh against a background of anonymous lamentation by various intelligence "sources" and "officials." ("This is explosive, it could destroy the agency," confided one "official with access to details of the alleged domestic spying." "Oh my God," gnashed a "high-level Justice Department official upon being given some details" by Hersh "of the CIA's domestic operations.")

Whatever private corroboration the *Times* may have had for its story, the reader was presented with a remarkably febrile succession of follow-ups: Clark Clifford calling for a congressional investigation, *The Yale Law Journal* questioning the legality of CIA funding procedures, a warmed-over 1972 Jack Anderson column on CIA surveillance of singer Eartha Kitt.

It was Colby himself who in two different instances demonstrated that Hersh's reporting was essentially sound. The first instance was the immediate dismissal of the CIA's veteran counterintelligence chief, James Angleton. The second was the release by Colby of his testimony on the CIA's domestic intelligence operations. Colby's report supports as reasonable, if arguable, Hersh's early characterization of the CIA's domestic operations as "massive" and "illegal."

How different this was from the early days of CIA-watching. In 1964 Washington journalists David Wise and Tom Ross published *The Invisible Government*, the first comprehensive critique of the intelligence community, with emphasis on the CIA. That same year the phrase "invisible government" passed into the language. continued

Though the book was a commercial success, the triumph was not without its uncomfortable moments. In what was tantamount to a covert domestic operation, the CIA obtained galleys of the book and pressed the publisher, Random House, to halt publication or substantially alter the book. Prosecution of Wise and Ross was seriously considered. So was the buying-up of the entire first printing — a notion within the agency that was abandoned when publisher Bennett Cerf cheerfully announced that he would add subsequent printings until demand was satisfied.

An anonymous memorandum drafted by the CIA was circulated on Capitol Hill and reprinted in the *Congressional Record* intimating none too gently that Wise and Ross were among a group of American journalists open to "development and milking" by the KGB.

The press reacted to all this with resounding lethargy. There were no calls for blue ribbon panels or select congressional committees of inquiry. The old boy network still had things under full control, and no one on the inside was asking unseemly questions. The fire was just starting.

The current conflagration at Langley was ignited mainly by the Vietnam war and Watergate. The desire to discredit those who opposed the war caused Presidents Johnson and Nixon to deploy all the principal intelligence agencies in an attempt to trace Communist involvement in antiwar activities. The White House Watergate machinations prompted Helms to cover up the CIA's involvement in the scandal, now raising the possibility that he may have perjured himself before Congress.

Helms recently testified that the initial CIA monitoring of the antiwar movement was demanded by President Lyndon B.

Johnson, whose attitude toward the demonstrators, as anyone knew who covered the White House in those days, was mildly paranoid, to say the least. The extent to which the CIA engaged in domestic spying during the late Johnson years has been obscured by a paucity of documents and the failing memories of Johnson administration officials in the White House and the Department of Justice who would have been privy to such knowledge.

In 1973 Republican minority members and staff of the Senate Watergate Committee industriously sought to leak documents detailing President Johnson's use of the FBI to spy on political friends and enemies during the 1964 presidential conventions and campaign. The *Chicago Tribune* and the Scripps-Howard newspapers did run stories on the 1964 episodes, which were elaborated on last January in *The Washington Post* without noticeable reference to the earlier stories.

For some reason, President Johnson's questionable use of the FBI did not catch on as a page-one issue (apart from the *Chicago Tribune*) in 1973 when the press and official investigative bodies were hot in pursuit of the malefactions of the Nixon White House. This is yet another illustration of the capricious influence of timing and political circumstance in defining newsworthiness.

The intrusion of the CIA into the business of conducting internal security operations, from which the agency is proscribed by its legislative charter, leaked out within the agency after the brief tenure in early 1973 of James Schlesinger as the CIA director. The dismissal of Helms and the appointment of Schlesinger was one of the most politi-

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Schlesinger set in motion the machinery of internal investigation. This examination was reinforced by a Senate Foreign Relations Committee query on domestic operations by the agency, one which was broken down into specific categories of activity, such as wiretapping, physical surveillance, and so on.

When the agency's "young Turks" learned of the results, they confronted Colby and demanded that the seemingly illicit operations be referred onward within the government for action. What was happening was an unprecedented "greening" of the junior ranks of the CIA, a process that Hersh succeeded in monitoring more effectively than any other reporter in Washington, me included. Dismay at the results of the internal investigation ordered by Schlesinger and implemented by Colby registered at the higher levels of the CIA, and may well have spurred the White House decision to proceed with at least the semblance of a blue ribbon review.

The paradox in all this was that Colby, the theological anti-Communist hard-liner, involuntarily found himself serving as the instrument of reform and disclosure. Helms, the favorite of the elitist moderates on Vietnam and Cold War issues, was being drawn as the villain of the piece. In Washington's official dining rooms Helms was being praised and Colby was being damned as a traitor to institutional values.

But, by the time the various investigations unravel in congressional hearing rooms and the Executive Office Building, both men may become victims of the new suspicions toward governmental secrecy and power born in Vietnam and confirmed by Watergate. ■

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The World in Cartoons



Guess what the Arabs just bought?



Looking at the U.S.
A SWISS IN SIOUX CITY
—a portrait of America's mood

Press/Broadcasting
MR. 'UPSTAIRS' DOWNSTAIRS'
Edwardian masterminds the global TV hit
JANET WATTS

There's also a nostalgia for order. People are looking back from our confused world, where there is no automatic discipline of rank, to a well-ordered house like the bellmans, which was a mingling of the old and the new. The rules of the servants' downstairs, even more than the servants' upstairs, were a form of patternism. The servants' upstairs were there to work in the world of the last structure, the servants' downstairs were there to work in the world of the new structure.

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Don't be surprised to find "scoops" in Atlas — "The Arabs' Master Plan for Oil" (*Sunday Times of London*), "Will Castro

Come in from the Cold?" (*Le Monde*, well ahead of *The New York Times*), "A Scientist Looks at Acupuncture" (*New Scientist*, quoted in *Time*). These exclusives, Atlas' taste, its cultural diversity are what make the magazine indispensable to growing numbers of businessmen, journalists, educators, students, libraries, public officials, and others.

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BOOKS

Most of all there is Ross

Here at The New Yorker

By Brendan Gill. Random House. \$12.95

The New Yorker's beginnings were scarcely more elegant than those of *Playboy* — longtime staff member Brendan Gill still refers to it as a humor magazine — but it had some luck that its present financial rival did not: it was the offspring of two bitter enemies, editor Harold Ross and publisher Raoul Fleischmann; it offsprang in New York, not Chicago; it was verbal rather than voyeuristic (not only buying from writers but hiring them); and its leader, Ross, limited and opinionated as he was, never committed himself to a faith: there is no New Yorker Philosophy.

The Ross-Fleischmann hostility insured that each would watch the other's actions suspiciously, to the magazine's benefit. More importantly, it contributed, along with the acerbic personalities of James Thurber and Geoffrey Hellman, to the generally chilly atmosphere among the people who worked there. To be sure, that atmosphere also includes a lot of old-school-tie clubbiness, as we will see, but in the main *The New Yorker* staff has long remained in a state of complex intramural hostility, suspicion, and low-level paranoia — a condition productive of sharp editorial scrutiny, intense auctorial competition, divergent viewpoints, and all the general discomfort proper to the best journalism.

Somewhere along the line *The New Yorker* also developed a mystique. It is difficult to say how or when this happened; different people at different times have been lured by different things about the magazine. New York is notably a city where one can gather a crowd by staring fixedly up at some-

thing. It is also a city with no central authority to evaluate the pretensions of claimants; any group announcing its superiority will probably get away with it, especially if it has access to the media. The old crowd at *The New Yorker* spent a lot of time staring fixedly at itself, generally in or near the Algonquin Hotel, and its claims were widely reported in the press. Perhaps that was it: New York needed a visible cultural elite to give it a sense of itself, and there was an appropriately titled magazine anxious to do just that.

New York may not have risen to the occasion, but *The New Yorker* surely did. It became elegant, or at least swell. It put on airs (for a while it had a polo department). And, thanks to editor Katharine White, it began, timidly, to publish literature: very short stories, undemanding verse, condescending reviews. Meanwhile the staff was cultivating that mystique, behaving as if it constituted the New York branch of Skull and Bones. Actually rather baffled by the oriental intricacies of its leaders, the staff converted that bafflement into a cunning silence when dealing with the world. That posture infected the magazine itself, and readers found it titillating — some readers, at least; lots in fact. After all, no one would publish a book titled *Here at House Beautiful*.

Now here we have Brendan Gill throwing open the doors, drawing back the blinds, unlocking the bone-choked closets at last, and about time (February 21, 1975 marked the magazine's 50th anniversary). One hurries in, a happy tourist, joins the starry-eyed crowd around the tour guide, and . . . crash. On page 4 Gill announces that "college professors like a talk to last at least an hour, with everything being said at least three times. The third time they hear a thing, they feel that famous shock of

recognition, and a pleased smile begins to play over their faces." Really? On page 3 he writes that "Saint Ambrose was the first person in history reputed to have been able to read without moving his lips." Reputed? Nonsense — St. Augustine saw him do it lots of times. Maybe Gill means *reported*.

I pass these irritations along because *The New Yorker* raises many people's hackles, and Gill begins his tour-guiding by demonstrating how. Still, the magazine is surely the best in the world, at least from the verse or fiction writer's viewpoint; no one who ever stepped under its shower of gold would deny that. And its taste is excellent; even the nineteenth-century *Atlantic Monthly* did no better. True, nonfiction journalism (O sorry time, when the modifier is necessary!) gets a squintier eye there. Although his monocle is a bit blurred now, and he passes split infinitives and even typos, Eustace Tilley, the New York dandy who symbolizes the magazine, still perpetuates the image of Harold Ross and his nervous checking of all facts, polishing of sentences, and general homogenizing of all styles. And, of course, the writing reaches the reader, if at all, in a thin and increasingly paler trickle strained through ads for expensive booze, restricted resorts, elegant clothes, and thousand-dollar Jonathan Livingston Seagull pendants. Nevertheless, the magazine is a curious hybrid of excellence and fatuity, and the reader begins in hope that Gill will address himself to such matters. Instead, we often get silly hauteur.

"My intention is to follow the principle upon which the 'Talk of the Town' department of the magazine is based," he says. "I will try to cram these paragraphs full of facts and give them a weight and shape no greater than that of a cloud of blue butterflies." Only a pro would dare proclaim such a goal; only a rather self-indulgent pro would permit



Rea Irvin's caricature of Harold Ross, the first editor of *The New Yorker*, as Eustace Tilley, the dandified personification of the magazine. Hovering before Ross's monocle is Alexander Woollcott.

himself that vaguely-sized cloud and the illogic of blueness affecting weight; and only a smug pro would go on, as Gill does, to say that "again and again, some writer who has made a name for himself in the world will begin to write for us and will discover as if for the first time how difficult writing is." On the one hand, we have "the world," on the other "us" — and there's no doubt who has the upper hand. Gill then proceeds to create a clubby atmosphere in which even the magazine's squalid offices are dwelt on with a cloying preciousness, as is "the old tradition that nobody who comes to work for *The New Yorker* is ever properly introduced to anyone else." (Equally, "It is the custom at the magazine for people not to speak to each other in elevators, as it is the custom for them not to whistle in the corridors.")

But readers' hackles will lower after a while. Gill is mainly interested in good gossip and his own biography; he is amusing, and he does write awfully well. He is difficult to like, mainly be-

cause he is so successful and happy, but he is a sharp observer and a good hater, and he seldom pulls his punches: "It was in Thurber's nature to wish to inflict pain, and I suppose it was in White's nature to wish to accept it." As Gill tells it, most of the staff were either pathetic or offensive, and usually drunk, too. (Thurber scored a hat trick.) "If getting tight was good enough for Socrates, it is surely good enough for the rest of us," Gill writes defensively, not having noticed that the only drink Socrates let get the better of him was hemlock. There is food, too, and Gill's descriptions of Stanley Edgar Hyman and A. J. Liebling at table are excellent incentives to dieting.

Gill tries repeatedly — there is a lot of repetition; ironically, the book needs a good editor — to explain what made and keeps *The New Yorker* great; but invariably he falls back on clichés about working hard and doing one's best. There are many anecdotes, of course, and a few statistics: John O'Hara sold the most stories (225), followed by John Cheever (119), and John Updike (104). Throughout Gill introduces many of the unknown people at the magazine, floats a few butterflies over real writers (there is an excellent section on Frost and Wallace Stevens, for instance, and a sadly amusing glimpse of William Carlos Williams) and discusses most of the more famous staff, although remaining oddly mum about such old-timers as Dorothy Parker, S. J. Perelman, poetry editor Howard Moss and such contributors as Mary Lavin, Auden, Nabokov, Updike, Barthelme, and Ann Beattie — all colorful types. Naturally there is much about William Shawn, Ross's reclusive successor.

But most of all there is Ross. In the main, Gill's depiction simply develops Thurber's image of Ross as boorish genius, and much of it is embarrassingly personal, reflecting the author's intense

love and hatred of Ross as a father figure. Finally, there is Ross's curious status as myth: the book ends with a seven-page essay in which Shawn deifies Ross while acolyte Gill kneels.

Shawn was Ross's assistant editor, and current fiction editor Roger Angell is Katharine White's son; the magazine is still very close to its origins, and the oldest inhabitants have been sanctified by the staff. (One looks forward to Burton Bernstein's forthcoming *Thurber*, which may serve at least as a devil's advocate.) But what will happen if Shawn modestly, diffidently, backs in front of a taxi? Gill reports that Angell can jump onto a table from a standing start, but can he jump as high as those earlier angels?

J. D. O'HARA

J. D. O'Hara, professor of English at the University of Connecticut, has written for The New York Times, The Washington Post, The New Republic, Saturday Review and, once, for The New Yorker.

Strong drink

If You Have a Lemon, Make Lemonade: an essential memoir of a lunatic decade

By Warren Hinckle. G. P. Putnam's Sons. \$8.95

In the mid-1960s, writes its former editor Warren Hinckle, *Ramparts* magazine took liberal-left journalism for a ride uptown. The goal was to escape the clutches of "fellow basket weavers" and to "escalate dissent from the soap boxes to the newsstands," to "interpolate social and political critiques with trendy you-were-there stylisms" and with wads of money and gusts of hype to become noticed and heeded as had no other like-leaning publication.

The result was "radical slick," a lavish, frenetic vehicle which, before it



Jill Kremenitz

Warren Hinckle

'In *Lemonade* one is left with the feeling that, for all the puffery and slapdash, *Ramparts* and Warren Hinckle were definitely worth the uproar'

flew off the tracks into bankruptcy in 1969, had flattened nearly every axiom of editorial decorum — many say responsibility — and rammed more than a few of its marks with spectacular effect. In *Lemonade*, Hinckle, rad slick's effusive, spendthrift architect and chief Kamikaze pilot, has written an engaging account of the years 1964-69 when he and a bizarre swarm of associates ran around the country and world pursuing the CIA, assorted characters in the Vietnam charade, Kennedy assassination theories, Che Guevara's diary, Timothy Leary, the Minutemen, and scores of other targets worth ventilating.

Hinckle has been described as the Mike Todd of the New Left. Everywhere in *Lemonade* we see the showman at work. Under his novelistic touch the best-known *Ramparts* projects — Green Beret sergeant Donald Duncan's denunciation of the Vietnam War in 1966, exposés of CIA infiltration into universities and student organizations (the cover of one issue depicting Madame Nhu in a Michigan State cheerleader's outfit), attacks against the Warren Commission report, the investigation into Guevara's death — are transformed into wildly intriguing intelligence operations, with CIA bomber pilots approaching KGB agents in Mexico, leggy French Mata Haris prowling the Bolivian countryside, extremist gunslingers lurking on "Nazi sandbars" off Southern California, and scraggly informants spilling all in airports and dingy cafés.

It's a fast, pleasurable read. Through everything dashes eye-patched Warren Hinckle, usually half-crippled by a hangover, jetting about after this coup or that, bringing off gutsy and splendidly over-financed promotions, pooh-poohing creditors, dredging up still another magazine-saving hundred thousand from still another rad chic millionaire driving a red Volkswagen (*Ramparts* founder Edward Keating even sold his last shopping center), twitting "jelly bean suckers" along Madison Avenue — twitting about everybody, it seems, from "Arthur Schlesinger model liberal kewpie dolls" to the "Mussolini of Berkeley," Clark Kerr — remaking whole issues in barrooms hours after deadline, enraging writers

with cavalier blue pencilings, leaving staffers and volunteer researchers in exhausted confusion ("One does wish they could be a trifle less Animal-Farmish about it," reflects contributing editor Jessica Mitford in one memo).

To many, of course, Hinckle was a charlatan of the first water, a garish huckster adept at commandeering other people's exposés, dug up in the main by dour leftish journals with sharp shovels but little feel for making themselves palatable to large readerships, and turning them into flashy spectacles. It is true, for instance, that the CIA Vietnam and student involvements had been unearthed in many quarters — among them *The Nation*, a publication called *Viet Report*, and in pamphlets issued by Students for a Democratic Society — long before *Ramparts* joined the battle. It is also true that many *Ramparts* projects, ballyhooed beforehand as thunderbolts of specific revelation, degenerated under pressure into sloppy, emotionally overwrought productions larded with more palaver than pith and remembered chiefly for Hinckle's extraordinary ability to get them promoted in *The New York Times*.

Still, in *Lemonade* one is left with the feeling that, for all the puffery and slapdash, *Ramparts* and Warren Hinckle were definitely worth the uproar. This is an extravagant, exciting yarn, carried away with itself in spots perhaps, but alive with wit, flair, and intellect. Hinckle is a man of huge biases and few apologies and one finds all the former and none of the latter here. He breezily admits to stepping on people when he had to and makes sport of some colossal mistakes, but beyond the blarney there is warmth, a certain sheepishness and wonder with it all. Hinckle may have run *Ramparts* off the tracks (the magazine later reorganized without him under Chapter 11 of the bankruptcy law), but not before it had hacked a niche in the hurly-burly sixties. Hinckle overdid, all right, but in *Ramparts*, and *Lemonade*, he has created journalistic adventures to remember.

PETER NICHOLS

Peter Nichols is a contributing editor of CJR.

LETTERS

ACS defends 'cautious optimism'

CJR invited the American Cancer Society to comment on Daniel S. Greenberg's article, "A Critical Look at Cancer Coverage," which appeared in the January/February issue. This is the society's reply.

Mr. Greenberg's article is an expanded version of an article published in the December 1, 1974 issue of *Science and Government Report*; it is essentially the same bitter attack on the "establishment" with the same pious disclaimer that his purpose "is not to question the motives or humanity of those who manage our vast national effort to cure cancer." The writer's thesis is that there is only slight progress in cancer control, that new ideas are ignored in research and that cancer research and control are ruled by a complex bureaucracy that condemns dissenters as "faint-hearted, misguided, or worse."

Unable to speak with scientific authority, the author relies on opinions of anonymous individuals identified only as "a government health economist who is well versed on cancer statistics," "one of the most eminent of cancer statisticians," "some statisticians," "one specialist," "an internationally renowned expert on cancer statistics," "a scientist," "a senior NCI administrator." Could the author not find one critic willing to be identified by name? This is puzzling because cancer research is filled with stubborn, able, passionate men who speak their minds candidly, complain angrily, and generally make the life of an administrator difficult. At grant time they fight vigorously and articulately for what they believe. Did the author really find only cynical, disillusioned, and timid types?

The author reports that "after approximately two decades and several billion dollars expended on research for cures, official figures on trends in five-year survival rates do not, by any reasonable standard, provide grounds for optimism." Consider the facts: twenty-five years ago one in four patients survived five years. The increase to the current survival of one in three means a gain of

55,000 lives saved each year. Five-year survival rates have continued to increase steadily from the 1940s to the 1960s for the following cancers:

Prostate	37 to 56%
Uterine Corpus	61 to 74%
Thyroid	64 to 85%
Kidney	26 to 85%
Bladder	42 to 61%
Larynx	41 to 66%
Melanoma	41 to 66%
Hodgkin's Disease	25 to 54%
Chronic leukemia	15 to 30%

(Figures from from End Results Section of the NCI and from collaborating hospitals.)

These include about 20 percent of all cancer cases.

Your author accepts as fact the statement that one in five patients was cured in the late 1930s and that today the figure is one in three. Omitted in the article is the essential fact that it would be possible to save one in two patients if they would do for themselves what they can, using knowledge we have in hand today regarding early diagnosis, and known, effective treatment.

The American Cancer Society does indeed express guarded, qualified, cautious optimism. Long ago we dropped the kind of fear phrases your writer chooses: "these awful numbers," "grim," "doleful," "gloomily." We did this because of our public education program. The society and physicians, in general, believe that the earlier cancer is detected, the better for the patient. Early cancer can often be cured.

Our studies indicate that one of the reasons people who think they may have cancer delay going to a physician is their fear of this disease. (Gallup Organizations, "The Public's Awareness and Use of Cancer Tests.") As a result of education, in which cautious optimism has played a part, people are going to physicians earlier when one of the warning signals appears, and they are having more checkups, including the Pap test, the "procto," and a breast examination. Fear is still strong; people fear cancer far more than other diseases, but increasingly accompanying this fear is the motivating belief that if cancer is caught in time, it can be cured.

Your article begins with a statement from our 1971 pamphlet: "Cancer is one of the most curable of the major diseases in the country." True or false? Your author seems to believe it false, though it is not until well into the article that he cites the low cure rate from lung cancer as proof that facts are "substantially different" from this sentence.

To use information from a 1971 American Cancer Society pamphlet as the target of an attack on the hopeful side of the cancer problem is not up-to-date reporting. Each year, the society has published a timely and comprehensive brochure, *Cancer Facts and Figures*, as a resource for writers, editors, speakers, etc. Some 375,000 of the 1975 edition were published and made freely available early in November 1974.

The author offers as a "new" idea the concept of prevention. Yet in a paragraph on the poor prognosis of cancer of the lung, there is no mention that the American Cancer Society, along with other health agencies and the federal government, has for years mounted a vigorous educational campaign aimed at prevention of lung cancer by trying to persuade smokers to stop, and others not to start. ACS and NCI research on environmental risks, carried out with trade unions, industry, and others, is leading to preventive techniques designed to protect against the dangers of asbestos, vinyl chloride, and other substances. In the ACS 1971 pamphlet, which the author used rather selectively, there are two pages devoted to prevention. Prevention is certainly a key word but not a new word in cancer control.

The prospects for survival of young acute leukemia patients treated by combinations of chemicals is extraordinary today. In those centers which can now provide this specialized therapy, remissions are being achieved in up to 90 percent and the five-year survival rate is approximately 50 percent. The control and probable cure of some cases of leukemia with chemotherapy is a brilliant breakthrough. The author cynically brushes off this example of progress by quoting an unnamed scientist: "I wouldn't be surprised if they're 'curing' a lot of leukemia that never existed" — an undignified, nonfactual comment. He feels that survival figures on cancer of the colon "do

LETTERS

continued

worse than mock the NCI-ACS thesis" of the hopeful side of cancer. The ACS thesis about cancer of the colon and rectum is clear: we need and are getting much more research in epidemiology, diet, and immunology, but even today three out of four cases could and should be cured. And what ACS recommends to those over forty-five is not a rose-colored press release but rather a sigmoidoscopy. *Facts and Figures* points out that in the last twenty-five years there has been a 3 percent reduction in age-adjusted death rates from colon and rectum cancer in men and a 12 percent reduction in women.

Although ACS's *Facts and Figures* reports no significant reduction in the breast cancer mortality rate during the past thirty-five years, ACS and NCI are now jointly funding a nationwide project where in each of twenty-seven centers 10,000 women are receiving mammography, thermography and a clinical breast examination. There is great hope, backed by research, that the breast cancer cure rate so long unchanged may soon improve as more women benefit from new detection techniques.

One of the oddest items in this article is the statement that statistics do not support the ACS report that the death rate from uterine cancer has been reduced by more than 50 percent in thirty years. The facts are these: the death rate from uterine cancer in 1940 was 25.4 per 100,000; in 1970 it was 9.4 per 100,000, a reduction of 63 percent.

Regarding cervical cancer, Greenberg states that the five-year survival in the 1960s compared with 1950s declined 3 percent. The truth is, according to the NCI, that although the survival rate has declined, the reasons for this decline indicate positive progress against this type of cancer: more women are being diagnosed in the pre-invasive (*in situ*) stage of this cancer; those with invasive cancer were diagnosed at a later stage and were, therefore, more difficult to cure.

New ideas in cancer research, as in almost any other activity, are rare, but the author's hasty dismissal of positive research results in chemotherapy, radiation, immunology, and virology is unfair. Thousands of scientists from all parts of the United States now serve, and have served, on ACS and NCI review

committees and are alert for fresh approaches. The ACS has currently in effect over \$1,200,000 in institutional research grants to thirty-nine universities, research institutions, and hospitals, and there are no strings attached. These grants support new projects and pilot studies locally. They also get young investigators underway on innovative programs. The militant minds of youth are receiving much needed support which should be increased, not lessened.

Had the author talked to a health educator he would have been informed that far more money was needed for behavioral studies to investigate such matters as why four out of ten women delay more than two months after finding a lump in the breast; a nurse might well have inveighed against the state of terminal homes; a psychiatrist would have stressed the need for rehabilitation; a psychologist might have demanded more money for research into emotional stress and cancer; a tobacco researcher might have protested that work in developing a less hazardous cigarette was being started.

Of course, there is controversy and debate in cancer research and cancer control. Yet, most critics are quite willing to be named. What are Mr. Greenberg and his "faint-hearted" anonymous authorities seeking? Does the suggested parallel between the reporting of the cancer war and the early army bulletins from Vietnam mean that we should immediately withdraw from the war on cancer? If the unidentified internationally acclaimed scientist has answers, we pray he will report them now, rather than offer a doleful lament.

ALAN C. DAVIS
Science Editor
American Cancer Society

Boys Town questions

TO THE REVIEW:

Although investigative reporters aren't often asked to settle moral questions, it seems to me that they have to be particularly thoughtful whenever such questions come up in their work.

Paul N. Williams's piece about the Sun Newspapers' exposé leaped to an indefensible conclusion by claiming — in the title

and, by implication, in the text — that there were no bad guys connected with the hoarding of \$226.7 million worth of endowment at Boys Town.

Certainly, as Williams says, the investigation uncovered no criminals. But "institutional inertia" doesn't fully describe what was wrong at Boys Town.

Archbishop Sheehan, Monsignor Wegner, and the others responsible appear, on the face of it, to have been guilty of conspiracy to commit avarice. This is not an actionable offense in our courts, but it *is* something that Christian morality has condemned pretty heartily for close to two millennia.

Without presuming on the strength of the article to convict Sheehan, Wegner, et al of a mortal sin — and without insisting that Williams should have done so — I still believe that it was negligent of Williams to slide around the moral question so smoothly by stating that the exposé turned up no bad guys, but only ossified traditionalists. Some traditions are and will always be in need of a certain amount of moral investigation.

BRYAN DUNLAP
Lecturer in English
Queens College
Flushing, New York

Why the Pulitzer Prize for the Sun Newspapers of Omaha's article on Boys Town?

Paul Williams betrays an appalling ignorance of the facts of financial life — such ignorance that it is little wonder the archbishop and the unfortunate Monsignor Wegner didn't want to level with him and his reporters.

An endowment worth \$200 million at the end of 1973 — and considerably less than that now — is nowhere near as much as the naive Williams seems to think it is. Even at a 5 percent yield, I doubt that it would cover the operating budget of an institution of the physical size Williams describes, with 600 employees and close to 700 non-tuition-paying students. . . .

So Boys Town's annual take is cut from \$15 million to \$6 million, the boys no longer move through the day to the sound of bells, no longer eat in a "quaint" giant mess hall, and enjoy the felicity of pay phones and live-in counselors in their cottages! Hooray

for journalistic enterprise.

Meanwhile, Williams still wonders why the school has resumed its fund-raising appeals. Surely the school should have quit raising money and gone quietly out of existence once its endowment was exhausted, thus providing another exposé for the Sun papers some time in the future.

Was it Sam Johnson who said, "The public, sir, is an ass"? Not without help, Sam . . . not without help.

GORDON KESTER
Director, Alumni Relations
University of Rochester
Rochester, New York

Paul N. Williams replies: *I gather that Mr. Kester's letter is based only on the few figures I reported in CJR. My piece, of course, was on how the story was obtained, rather than on the details of the Boys Town operation. It does seem that the alacrity with which Boys Town stopped its appeal letters and earmarked \$70 million for new programs indicates the board thought there was some reason to change the old policies. . . .*

I urge Mr. Kester to obtain a copy of the original eight-page section of the Sun. If he does, he will find a great number of additional details, including the fact that the portfolio was producing only a little more than 4 percent return. If it had been invested in high grade bonds, it would have produced considerably more. Mr. Kester will also find that even this very low investment return was more than enough to cover the operating budget and continue to build the endowment.

In short, I stand by the piece.

Blowing their own horn?

TO THE REVIEW:

Last summer you carried a profile of the *International Herald Tribune* written by a reporter for that paper (at least when I was living in Paris, he was their only reporter). At one point in the article he praises the paper for a "front page exclusive" that proved embarrassing to the French government — without mentioning it was his own article he was praising.

Now, in your January/February cover story on Boys Town, you let the managing editor of the paper that did the exposé ex-

plain how courageous his paper was. We also learn the inside story of how it was done ("At Warren's home one evening in July 1971, we drank Pepsi, discussed the paper's progress and resources, and considered what new projects we might undertake").

Is this what a journalism review is about — to let people blow their own horn, sometimes anonymously? Should a newspaper let the P.R. man for International Telephone and Telegraph Company write its articles on ITT's involvement in Chile? Maybe this is an old-fashioned idea, but I always thought it was nice for a journalism review to print critiques of papers by people not on their staffs.

If my ideas are in fact old-fashioned, maybe I could write a piece for you on what a tremendous journalist I am. It would fit right in.

STANFORD N. SESSER
Assistant Professor
Graduate School of Journalism
University of California, Berkeley

Mr. Sesser raises an important principle, a concern for self-promotion, with which we agree. We disagree with his characterization of the facts, however. He fails to note that the major thrust of the piece on the IHT was criticism of missed opportunities, not praise, and that the author wrote the article while on a one-year leave from the paper.

The author of the Boys Town story wrote CJR's article after his departure from the newspaper staff. And of course, there was nothing anonymous about his first-person account. The series won the Pulitzer Prize (the author didn't render that judgment, prize judges did), and the Review published the story in the hope that it would have a salutary effect on small weeklies.

The Editors

Zerox to Xerox

TO THE REVIEW:

Your current issue carries the following words under "Our Policy on Advertising" on page 1: "Of course, we do not promise to criticize our advertisers in each issue. But we reserve the right to criticize when criticism is warranted." The same issue, page 6, carries

**'Maybe
I could write
a piece
on what
a tremendous
journalist I am'**

CJR INDEX AVAILABLE

Single copies of the index to Volume XII (May/June 1973 through March/April 1974) are available at no charge. Send a postcard with name and address to:

Index
601 Journalism Building
Columbia University
New York, N.Y. 10027

MOVING?

To help us record a change of address quickly, please send a mailing label along with your new address. (If you don't have a label, enclose your old address.) Send the information to:

CJR Subscriptions
601 Journalism Building
Columbia University
New York, N.Y. 10027

Please allow six weeks for the change to take effect.

New address:

Name _____
Street _____
City _____ State _____ Zip _____

Old address:

Street _____
City _____ State _____ Zip _____

LETTERS

continued

an arresting full-page advertisement of the Xerox Corporation. The corporation says: "So, in order to protect yourself, and us, please use Xerox as a proper adjective and not as a verb or noun. Thus, you can copy on the Xerox copier but you can't Xerox something. You can go to the Xerox copier but not to the Xerox."

The hell we can't. I say to the Xerox Corporation: you may know a great deal about heat, light, and transference, but you seem to know nothing about language.

Words are what the people who use them make them — not what anyone says they ought to be. If there is any natural law in linguistics, it is: *usage determines meaning*.

So: as soon as I have typed this letter, I am going down the hall to xerox it, and I'll enclose the xerox with this letter — and I even commit the sacrilege of converting "x" to "z" because "z" comes more trippingly off the tongue.

The Xerox Corporation can continue to agonize in its pedantic X-pertise (and laugh on the way to the bank) or it can luxuriate in the realization that it has achieved the apotheosis of "aspirin," "frigidaire," "kodak," "mimeograph," and "martini."

THOMAS NELSON
Assistant Professor of English
University of Minnesota
Minneapolis, Minnesota

Xerox responds: *Professor Nelson might not take this so lightly if he realized that trademarks enable consumers to expect consistent standards of quality. While this is true of Xerox products, which are made only by Xerox Corporation, almost everybody can make a martini.*

TV consulting: serious business

TO THE REVIEW:

... Station WEMT-TV in Bangor, Maine, and this consultant regard the business of government and politics as being very serious; we do not "ham it up," as Edward Barrett's CJR article (November/December, 1973) on consultants and the media implies.

The Maine election ballot of 1973 consisted of four referenda items; no candidates ran for office. Nevertheless, audience interest in the program that this consultant conceived, produced and co-anchored for

WEMT-TV proved intense, due in part to the appearance of responsible experts on each side of the four referenda items.

As early as March 1974, WEMT-TV station manager Robert Gilbertson offered free television time to bona fide candidates for statewide and congressional office in both primary and general elections, a "first" for Maine television. A host of bipartisan guests participated with this consultant and my co-anchorman in explaining the results of the close congressional race and gubernatorial contest, the latter won by independent James B. Longley, the nation's only third party governor. Serious business all, seriously dealt with.

FREDERICK H. SONTAG
South Orange, New Jersey

Defining 'unofficial'

TO THE REVIEW:

In "Testing Fairness," in your November/December issue, Gilbert Cranberg quotes the Sigma Delta Chi Code of Ethics: "The news media should not communicate unofficial charges affecting reputation or moral character without giving the accused a chance to reply."

Why the qualification "unofficial"? And could someone please define "unofficial"?

NORMAN BAUMAN
Brooklyn, New York

Advertising worries

TO THE REVIEW:

I would not imagine that this is the only letter you will get on this subject. I am worried and I am sure I am not alone.

A lot must have gone into your decision to accept advertising. I do not understand. I have gladly paid two bucks an issue for the *Review* only because I value your fearless criticism of the media. I am going to value that criticism less if you continue to accept advertising.

You can't persuade me that just a little of your criticism of the coziness between advertisers and some of the media won't be blunted. You can't tell me that your editing pencil won't at least hover over a dart to Xerox, Exxon, or even *The New York Times*. Or will you become more vicious to

demonstrate your independence? It's a shame I have to consider these things, isn't it?

I feel I'm losing a friend. Why didn't you just raise the price of subscription? If you need money, do you think another quarter or half-dollar an issue will drive readers away? You have less faith in your product than I do.

DAVID WARREN CONNELLY
Los Angeles, California

Similar problems

TO THE REVIEW:

Your article "Through the Looking Glass in Chile: Coverage of Allende's Regime" was an important contribution to American journalism. As a journalist who has lived in Chile and written about Latin America, I have been disappointed not only by the coverage of Chile but by the poor reporting on Latin America in general in this country.

Unfortunately, some of these same problems affect the coverage of Latin cultures within the United States. I would like to see some competent journalists study the coverage of the Puerto Rican community in New York by the daily press as Paula B. Johnson, David O. Sears, and John B. McConahay studied the coverage of the black community in Los Angeles. . . . Your quotation from C. Wright Mills on the difficulty for any person from an overdeveloped society reporting on what is happening in the hungry world can apply to our coverage of the Puerto Rican, Chicano, and other Latin cultures in the United States as well as to the poor in Latin America.

SHIRLEY DE LEON
New York, New York

Conceiving the inconceivable

TO THE REVIEW:

Mr. Nicholas von Hoffman's article on "The Economic Connection" (January/February) is very well done, but I consistently had the feeling he was writing with tongue in cheek. Does he or anyone else who knows American journalism seriously expect that critical and systematic politico-economic analysis can become frequent, or even occasional, in the major newspapers and news magazines of this country? If so, then he sadly under-

estimates the ideological force of just that "economic connection" he so aptly highlighted.

Having lived in France for a number of years, I know well (from the pages of *Le Monde*, for instance) the kind of journalistic analysis Mr. von Hoffman demands. But where does he think the mainsprings and lifelines of that sort of thinking (on a broad scale) come from? The phenomenological conception of reporting which flourishes in the U.S., even at its best, reflects the broad, seemingly permanent political consensus of our society. There is no alternative ideological system in this country which could provide (on a large scale) the kind of critical analysis and explication Mr. von Hoffman demands.

The most distinguished journalistic institutions in this country do their job as well as can reasonably be expected, as Mr. von Hoffman conceded for *The New York Times's* handling of the Franklin National debacle. They cannot fairly be asked to transcend the economic, social, and political forces which create and control them. To expect *Fortune* to provide the sort of analysis which Paul Sweezy, Ralph Milliband, C. Wright Mills, or Marcel Neidergang would bring to bear on Franklin National, the Federal Reserve, and the relationship of politics to economics is . . . well, naive. Like St. Anselm (in his ontological proof for the existence of God), Mr. von Hoffman is asking us to try to conceive the inconceivable, though I concede the exercise is — as they say in academe — heuristic.

STEVEN ENGLUND
Waupaca, Wisconsin

Debating scientific output

TO THE REVIEW:

I recently read Daniel S. Greenberg's article, "Let's Hear It For Science," in the July/August issue of *CJR*. I felt that Mr. Greenberg made a number of very excellent and pertinent points regarding the "crisis" in science. However, there is a very serious conceptual error which he makes on page 16.

In this section he is referring to a report by the National Science Board citing an examination of 500 research journals covered by the *Science Citation Index*. He indicates that

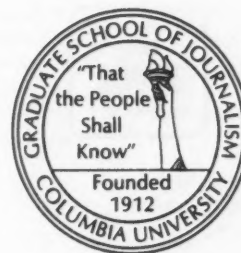
How to find some of the best journalists in America

They live all over the country, rank among the leaders in all fields of communications and share one thing in common: they are all alumni of the Graduate School of Journalism of Columbia University.

A comprehensive directory of these leading opinion makers is now available in limited numbers. It lists names, home addresses and present jobs and includes a cross reference by local community.

To obtain your copy of the 1975 Columbia Journalism Alumni Directory for only \$15, write or call:

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**“A splendid
service...”**

**“Unduplicated by any
other source...”**

**“An honest
approach...”**

**“Clear,
Concise,
Unbiased...”**

These are typical of scores of user comments on State Farm's *No-Fault Press Reference Manual*. Since its publication in January of 1973, it's become the standard reference work on auto insurance reform. More than 1000 copies are in use in the nation's newsrooms.

Encyclopedic in scope, the 300-page loose leaf manual is a tab-indexed guide to every aspect of the no-fault auto insurance story. For every state that's passed major auto insurance legislation, the manual provides a concise run-down of the law's principal provisions, along with an analysis and its complete text.

Other sections include a historical overview of the auto insurance reform effort, proposed federal legislation and a glossary. Updates are mailed to all manual users as laws are amended and new ones passed. They also get *Advisory*, a one-page newsletter that thumbnails interim developments.

Altogether, the manual, updates, and newsletter offer authoritative, unbiased help to everyone reporting on auto insurance reform. For this free service, write to:



Robert Sasser
Public Relations Department
State Farm Insurance Companies
One State Farm Plaza
Bloomington, Illinois 61701

the United States was clearly a leader in producing volumes of literature in a wide range of technical, scientific, and medical fields between 1965 and 1971. However, research that was published in 1971 was carried out at some time before 1968 to 1969. Most likely it was planned as part of a five-year grant, over a period from 1963 to 1968. This would mean that the grant itself had been written in either 1961 or 1962. The funding climate for sciences in the early 1960s was totally different from the funding climate presently before us.

It is misleading to imply that the *journal* output in 1971 represents research endeavor at that same time. It does not. That research was conducted during science's well-funded years, five to ten years before the actual publication date.

If we do not see a decline in scientific journal output in the early to middle 1980s, then and only then will Mr. Greenberg's thesis have validity. Only then will we have the data to verify whether a relatively under-financed scientific establishment can maintain its preeminence.

DAVID PETER SACHS, M.D.
Stanford University Medical Center
Stanford, California

Daniel S. Greenberg replies: *Recognizing that the best available data were somewhat dated, I inquired of various specialists as to their estimates of the contemporary situation. By and large they agreed that while the U.S. share of world scientific output was declining, this country nevertheless continues to maintain a substantial lead similar to that of the earlier period discussed in the article. They attributed the relative decline not so much to a diminution of the American effort, but rather to the fact that more nations are today participating in the worldwide scientific endeavor. Therefore the U.S. slice of the pie is proportionately smaller, though in fact it still remains very large.*

Wrong AIM?

TO THE REVIEW:

The other day I happened to pick up a copy of your magazine at a newsstand, the first time I had ever known of it or seen it. In

LETTERS

continued

general I found it interesting and informative, fulfilling a need for a corrective to the general press. . . .

However, in the article by Mr. Kriss (CJR, November/December) a reference is made to Accuracy in Media as a right-wing group. Why this pejorative description? As far as I know, this group has the same objectives as your own publication — accuracy in media.

MRS. ARTHUR G. McDOWELL
Philadelphia, Pennsylvania

Ron Kriss replies: *Mrs. McDowell has a point — a small point. AIM should have been described as a generally right-wing or conservative group. Yes, the organization's professed objective is accuracy in media, and it has tossed an occasional barb at William F. Buckley or Senator Goldwater. But the bulk of its complaints have been directed at newspapers and networks that have been guilty of what AIM considers to be a "liberal" interpretation or handling of the news — The New York Times was chided for publishing the Pentagon Papers, for example, and NBC for a lack of balance in its documentary on pension programs. Let us celebrate every effort to keep the media accurate. But let us not kid ourselves if a group devotes its most strenuous efforts toward keeping a particular segment of the media accurate.*

Dart and laurel

TO THE REVIEW:

And a dart to you, too, for not mentioning the one network that did provide live, gavel-to-gavel coverage of the Democratic midterm convention — National Public Radio. But also a laurel for your resource guide on occupational health and safety (CJR, November/December).

MARCIA ALVAR
Program director, WBFO
Buffalo, New York

Fueling misconceptions

TO THE REVIEW:

On the morning news today, Dennis Trout, reporting from South Vietnam, repeated an error which nearly all newspeople make. . . . He referred to the opposing forces in

South Vietnam as "the Communists" and "the government."

The Paris Accords specify that there are two parties to the dispute, of equal legitimacy. They are each understood to be genuine governments. . . . The terms "Communists" and "government" give Americans an entirely false picture. "Government" sounds legitimate, duly constituted, legal, popularly supported. . . . "Communist" is a term replete with cold war demonology, conjuring up ideas of totalitarianism and subversion. . . . By failing to convey the reality of the contest in South Vietnam — a reality amply documented and legally recognized by the Paris Accords — newspeople help fuel the war and the American misconceptions that provide the fuel.

LIANE NORMAN
Pittsburgh, Pennsylvania

Unfair to Bookletter?

TO THE REVIEW:

Your criticism of *Bookletter* in the November/December issue of CJR appears to be founded on a misapprehension of the facts. You assume that *Bookletter* was conceived as a literary review (in imitation of the *Hudson Review*, the *Paris Review*, or, yes, even the *Columbia Journalism Review*), and by making that assumption you mistake the purpose of *Bookletter*. I know that it is an easy thing to imagine that the rest of the world has been created in one's own image (*vide* the life and times of Richard Nixon and Nelson Rockefeller), but it distresses me to find the *Columbia Journalism Review* (supposedly dedicated to an examination of objective phenomena) staring at itself in its own mirror.

Bookletter does not pretend to be a literary review (this of course, does not excuse us from the obligation to provide literate writing). It is a biweekly newsletter published by Harper's Magazine Bookservice. The Bookservice was designed to make available to its members not only news of the literary marketplace (reviews, opinions, gossip and commentary) but also books. Evidently, "but also books" disturbs your sense of objectivity. Because most of our members live outside of major metropolitan areas, they have few opportunities to buy the books

mentioned by such august journals as yours.

It occurred to us that if we were going to review books, we ought to provide a convenient way for our readers to buy books. Membership in the Bookservice entitles one to buy books at the full publishing discount of 25 percent, and members can buy any book mentioned in *Bookletter* or they can buy nothing at all. . . .

All of which seems pretty straightforward to me and thus I cannot understand why you find this arrangement "an elaborate bookselling ploy." It is a bargain that approaches the simplicity of bartering wheat for goats. Perhaps it seems complicated to professors of journalism who pride themselves on their innocence of money, but if they insist upon that innocence (which is appealing in children, professional students, and political columnists), then how can they count themselves critics of anything that does not coincide with their own preconceptions, reflected images in their own mirror?

GRIFF ELLISON
Publisher, *Bookletter*
New York, New York

CJR stands by its editorial, which appeared on page 1 of the November/December issue.

The Editors

The news in Boston

TO THE REVIEW:

I think Edwin Diamond missed part of the Boston story. He overlooked what is probably the most important part of the media in a story that moves rapidly and directly involves young people, and people who are out on the street — radio.

He tells us what the newspapers did, and what television did, but I would wager that most of the people directly involved in the agony got their first (and possibly the most lasting) impression of the events from their local radio newscasts.

JIM ANDERSON
Glen Echo, Maryland

Correction

In our January/February issue, on page 37, a caption reversed the identification of Stanford Lipsey and Warren Buffett.

REPORTS

by DANIEL J. LEAB

"Skin-Deep Profits for the Man in Gold Chains," by Irwin Ross, **Fortune**, January, 1975; "Howard Cosell, You Will Self-Destruct in About Two More Seasons," by Joe Flaherty, **New York**, December 9, 1974.

Contact sports — sex and football — are favorite staples of media entertainment — and two of the brashest (and most successful) purveyors of those staples are Bob Guccione and Howard Cosell. In veteran reporter Ross's fascinating profile, *Penthouse* editor and publisher Guccione is portrayed as a paradoxical artist-entrepreneur who sees himself "locked in combat" with *Playboy* and Hugh Hefner. Although he has "taken the *Playboy* formula . . . and pushed it to new extremes of erotic explicitness," he has not been able to kayo Hefner. Now facing legal hassles as well as economic setbacks (from the financially disastrous *Viva* magazine and *Penthouse* Club), Guccione remains undaunted: "If you produce an escapist product in hard times your chances of succeeding are greater. . . . A guy will go without food for a cigarette, a drink — or for a girl." Flaherty, with wit and insight, offers some knowledgeable observations on ABC's Monday night pro football telecasts and current rating woes, and propounds the astonishing theory that Cosell's New York Jewishness has accustomed viewers to accept the same idiom on other shows (for example, ABC's major competition on Monday nights, *Rhoda* and *Maude*). Suggests Flaherty, "Perhaps the heartland is ready to desert the Big Mac for chicken soup."

"Mass Media and Society: The Challenge of Research," by James D. Halloran, Leicester University Press, 1974.

In this elegant, candid lecture, Halloran addresses some of the crucial inadequacies of mass media research. "Theory has failed to keep pace with techniques, doing has prevailed over thinking, and the tendency to do research (almost like American tourists 'do' Paris or London) has led to the collection of data before the problems have been adequately formulated." If the orientation is British, the implications — and applications — are universal. Some of the provocative issues this comprehensive discussion emphasizes are the questionable value (and possibility) of neutrality; the "unwitting bias in-

herent in the system as it currently operates"; and the notion of "the free flow of information." Halloran, professor and director of The Center for Mass Communication Research at the University of Leicester, persuasively concludes that "one question we must certainly ask is: What is the most appropriate way to invest scarce research resources so that we may adequately address ourselves to the major social issues of our time?"

"The Establishment Conspiracy and Other Crimes by the Press Critics," by Robert J. Cochnar, **The Bulletin** of the American Society of Newspaper Editors, October, 1974.

Can the press take criticism? Are newspapermen, as Richard Harwood, *The Washington Post's* first ombudsman, claims, really "the most sensitive creatures in America?" Whatever the thickness (or lack thereof) of the journalistic hide, argues Cochnar, executive editor of the Newspaper Enterprise Association, some critical self-appraisal is definitely in order. "Newspapers, or rather reporters and editors, spend a good deal of time inveighing against other traditional institutions. It is perhaps time for them to look at their own establishment, and perhaps to study the cracks in its facade." And Cochnar is not reluctant to point out some of those cracks: the live news syndrome, ancient layout rules, the required "newspeg," "crass commercialism," and, possibly, "the sin of hubris."

"The Newspaper Guild, AFTRA, and a Free and Responsible Press," a seminar sponsored by the Society of Professional Journalists, **Sigma Delta Chi**, at George Washington University, Washington, D.C., October 10, 1974.

The published transcript of these proceedings can be useful to those interested in the arguments for and against compulsory union membership for journalists. The fundamental question is whether mandatory unionism is a violation of the newsman's constitutional guarantee of a free press and freedom of speech. Another essential consideration, as formulated by moderator Grant Dillman, the UPI Washington bureau chief, is the problem of objectivity: "Is it really possible for a reporter to be a member of a union and yet somehow forget that fact when handling stories involving unions or the social and

economic objectives unions are seeking?" Although the legal question has since been resolved by the Supreme Court in favor of the American Federation of Television and Radio Artists, the ethical questions raised by the seminar remain.

"Prosperous Newspaper Industry May Be Heading for Decline," by Gerald L. Grotta, **Journalism Quarterly**, Autumn, 1974.

This disturbing analysis of economic trends in newspaper growth warns that "the newspaper industry may find itself in the same position of buggy whip manufacturers, and those who study the newspaper may become archeologists, looking at a social institution which failed to survive in a changing environment." New technology for production-problem solving will be of dubious value, argues Grotta, a member of the journalism faculty of the University of Oklahoma, unless the newspaper industry begins to develop answers to such basic marketing questions as what its readers want. "If the newspaper is to survive in the decades ahead," he concludes, "it must do so on the basis of offering a product which fulfills the needs of the consumer."

"Stop the Presses. Hemlines are Rising in the Malagasy Republic," by Dan Rottenberg, **Philadelphia**, November, 1974.

One of the wonders of the modern world, says *Philadelphia's* Executive Editor Rottenberg, is "the transformation of *The Philadelphia Inquirer* from the political tool of Walter Annenberg to a respectable member of the Knight chain." The daily has its problems (for example, generations of loyalty to the rival *Bulletin*) — but the most intriguing challenge is posed by its own goal: to create "a Great American Newspaper." The implementation of that objective, translated into practical economics, raises some nervous questions about the extent of the Knight financial commitment; translated into coverage, it means a lot less about Philadelphia, a lot more about The Rest of the World. In this colorful and informative account, Executive Editor Eugene Roberts, Jr. emerges as a driving idealist who can persuade journalists "that anyone who mans an Inky bureau in Mount Holly, New Jersey is a front-line fighter in the struggle to save Western civilization."

The Lower case

Fish & Game To Hold Annual Elections

Berkshire Courier
Great Barrington,
Massachusetts 12/24/74

Between 9:00 and 5:00, the noise was audible even over the daily street din, though apparently not enough to rankle the day people, who could only have heard it during brief forays from their insulated office buildings. Just we full-timers rang our hands in despair, for at night the roar was all ours.

New Times
1/24/75



A favorite piece by Tchaikovsky is highlighted as Andre Kostelanetz conducts the National Symphony Orchestra IN PERFORMANCE AT WOLF TRAP Monday, Dec. 23 at 8:00 p.m. on PTV. IN PERFORMANCE AT WOLF TRAP is made possible by a grant from Atlantic Richfield Company.

Aroostook Republican, Caribou, Maine 12/18/74

Ford Signs Privacy Act, Taps Lynn

Sentinel Star, Orlando, Florida
1/2/75

IN SUNDAY'S COURIER-EXPRESS Rita Smith writes about a teen-age prostitute who refuses to change her way of life despite the pleas of her anguished mother. For home delivery, phone 847-5500.

Courier Express, Buffalo, New York
1/11/75

CIA Reportedly Sought to Destroy Domestic Flies

San Francisco Chronicle 1/10/75

The sources also said that the President would probably be likely to move to a top spot on the White House staff.

The New York Times
11/24/74

Stolen Painting Found by Tree

The (Philadelphia) Evening Bulletin 12/17/74

The breaking down of most prejudices and discriminations has lifted women from mental work to important management and top professional positions.

The Scranton Tribune
1/14/75

Only a third of state's voters went to polls on Nov. 5

One-third of the registered voters in Massachusetts stayed home Nov. 5, nearly a record for absence at polls.

The Boston Globe
11/26/74

The license fee for altered dogs with a certificate will be \$3 and for pets owned by senior citizens who are altered the fee will be \$1.50.

Santa Barbara News-Press
1/13/75

Bland Music Contest Set For Feb. 23

Page News and Courier, Luray, Virginia
2/6/75

Computer center turns on students

The Daily Transcript
Dedham, Massachusetts 1/10/75

462C UNIPRESSERS:

TO ALL OF YOU AND YOUR FAMILIES, MAY THIS BE A MOST PLEASANT HOLIDAY AND MAY THE NEW YEAR BE BRIGHT AND PROSPEROUS.

UPI 12-25 02:09 PPS

EDITORS: PLEASE DISREGARD 462C UNIPRESSERS. IT WAS INADVERTENTLY TRANSMITTED ON THIS CIRCUIT.

UPI 12-25 02:21 PPS

UPI 12/25/74

Bell says Gravitt tried sex in the air

San Antonio News 1/8/75

Edmisten Seeking Injunction Against Damn Construction

The Maiden (North Carolina) Times 1/8/75

More Passengers-Less Fuel

When it comes to fuel, the nation's scheduled airlines are doing much more with much less.

The airlines in 1974 carried 208 million passengers, about six million more than the year before, while consuming about one billion fewer gallons of fuel. Despite this billion-gallon reduction, the airline fuel bill rose almost \$1 billion over 1973.

The airlines now account for more than 75 percent of all the intercity passenger miles provided by public transportation in this country, carry most of the first class mail and thousands of tons of freight. All this while using only about four percent of petroleum consumed nationally.

Working closely with flight crews, ground personnel, and the government, airlines in 1974 adopted additional fuel conservation measures, always consistent with safety requirements. Flight schedules were carefully modified to cut fuel consumption, with a reduction of more than 400,000 flights during the year. This action alone saved some 700 million gallons of fuel. Few other industries can match this fuel conservation record.

Government reports show domestic airline jet fuel use was down 13% in the first 9 months of 1974. This compares with a 3.4% decrease in gasoline use.

Examples of airline fuel saving measures include:

- Greater use of flight simulators for pilot training eliminates thousands of landings and takeoffs annually, and saves millions of gallons of fuel.

- Expanded use of computers in flight planning selects altitudes that will get the flight from here to there with reduced fuel consumption.

- Shutting down one or more engines as the aircraft taxis to the arrival gate, or when there is likely to be a delay on takeoff.

- Reduction of cruise speeds to the most efficient levels, with the loss of only minutes per flight. Two examples:

Cutting the speed of a daily DC-8 flight from 544 miles per hour to 530 gets the aircraft from Chicago to Los Angeles only four minutes later, but saves 60,000 gallons of fuel annually.

For a 737 on a 500 mile flight, reducing cruising speed from 520 to 500 miles per hour adds only three minutes but reduces fuel consumption by seven percent.

Modified flight schedules and conservation measures in the operation of aircraft are saving about three million gallons of jet fuel a day.

The U.S. scheduled airline system, flexible and responsive to the nation's public transportation needs, will continue its efforts to help meet the nation's energy challenge.

THE AIRLINES OF AMERICA

Public Transportation at its best.



Air Transport Association, 1709 New York Avenue, N.W., Washington, D.C. 20006.

